

# BHUSHAN STEEL LIMITED



**BHUSHAN**

**Corporate Office :**

Bhushan Centre, Hyatt Regency Complex,  
Bhikaji Cama Place, New Delhi - 110066  
Tel. : 91-11-71194000 Fax : 91-11-46518611

BSL/CS/SE14  
August 25, 2014

The Manager,  
Listing Department  
**Bombay Stock Exchange Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**MUMBAI-400001**



**SUB.: IN COMPLIANCE WITH CLAUSE 31(a) OF THE LISTING AGREEMENT**

Dear Sir,

Pursuant to provisions of Clause 31(a) of the Listing Agreement, we are enclosing herewith six Copies of the Statutory and Directors' Annual Reports along with Form A.

**FORM A**

**FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE**

1.	Name of the company	<b>BHUSHAN STEEL LIMITED</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March 2014.</b>
3.	Type of Audit observation	<b>Un-qualified / Matter of Emphasis</b>  <i>The Auditors Report is Unqualified.</i>  <i>However few matters of emphasis are given in Point 5 to 7 in the Auditors Report on Consolidated Financial Statement.(vide page 56-57 of Annual Report 2013-14 )</i>


4.	Frequency of observation	<p>Whether appeared first time...../ repetitive...../ since how long period .....</p> <p><i>Point No 5 &amp; 6 are repetitive and appearing since financial year 2007-08 and Point No 7 has appeared since financial year 2012-13.</i></p>			
5.	To be signed by-	 ..... P. K. Aggarwal Whole Time Director	  ..... R. K. Mehra M/s Mehra Goel & Co. Auditors of the Company	  ..... Nittin Johari Chief Financial Officer	 ..... B. B. Tandon Audit Committee Chairman

This is for your information and record.

Thanking You,

Yours faithfully

For BHUSHAN STEEL LIMITED,



COMPANY SECRETARY

Encl. : as above



**BHUSHAN STEEL LIMITED**  
The Future of Steel

ANNUAL REPORT 2013-14

**Forward Looking Statement:**

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available sources and has not verified those information independently

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Mr. Brij Bhushan Singal

Chairman

### Mr. Neeraj Singal

Vice-Chairman & Managing Director

### Mr. Nittin Johari

Whole-time Director (Finance) & Chief Financial Officer

### Mr. Rahul Sen Gupta

Whole-time Director (Technical)

### Mr. P. K. Aggarwal

Whole-time Director (Commercial)

### Mr. Mohan Lal

Director

### Mr. V.K. Mehrotra

Director

### Mr. B.B. Tandon

Director

### Mr. M.V. Surya Narayana

Director

### Ms. Sunita Sharma

Nominee Director of LIC

## COMPANY SECRETARY

Mr. O.P. Davra

## AUDITORS

Mehra Goel & Co.

Chartered Accountants

## REGISTERED AND CORPORATE OFFICE

Bhushan Centre, Ground Floor, Hyatt Regency Complex, Bhikaji Cama Place  
New Delhi-110066

Phone No.: 011- 71194000

Fax No.: 011- 46518611

e-mail : bsl@bhushansteel.com

Website : www.bhushansteel.com

CIN : L74899DL1983PLC014942

## LEAD BANKERS

State Bank of India

Punjab National Bank

## WORKS

P.O. Shibapur,

Meramandali

Distt.: Dhenkanal - 759 121

(Odisha) INDIA

Site IV,

Sahibabad Industrial Area,

Distt. Ghaziabad - 201 010

(U.P.) INDIA

Village: Nifan, Sarvoli,

Kharpada Road,

Taluka-Khalapur, Near Khopoli,

Distt.: Raigad - 410 203

(Maharashtra) INDIA

## REGISTRAR & SHARE TRANSFER AGENTS

M/S RCMC SHARE REGISTRY PVT. LTD.

B-25/1, First Floor, Okhla Industrial Area Phase II,  
New Delhi - 110020.

Phone : 011 – 26387320, 26387321, 26387323

Fax : 011 - 26387322

e-mail : shares@rcmcdelhi.com

# FINANCIAL HIGHLIGHTS

## 10 YEARS' FINANCIAL SUMMARY

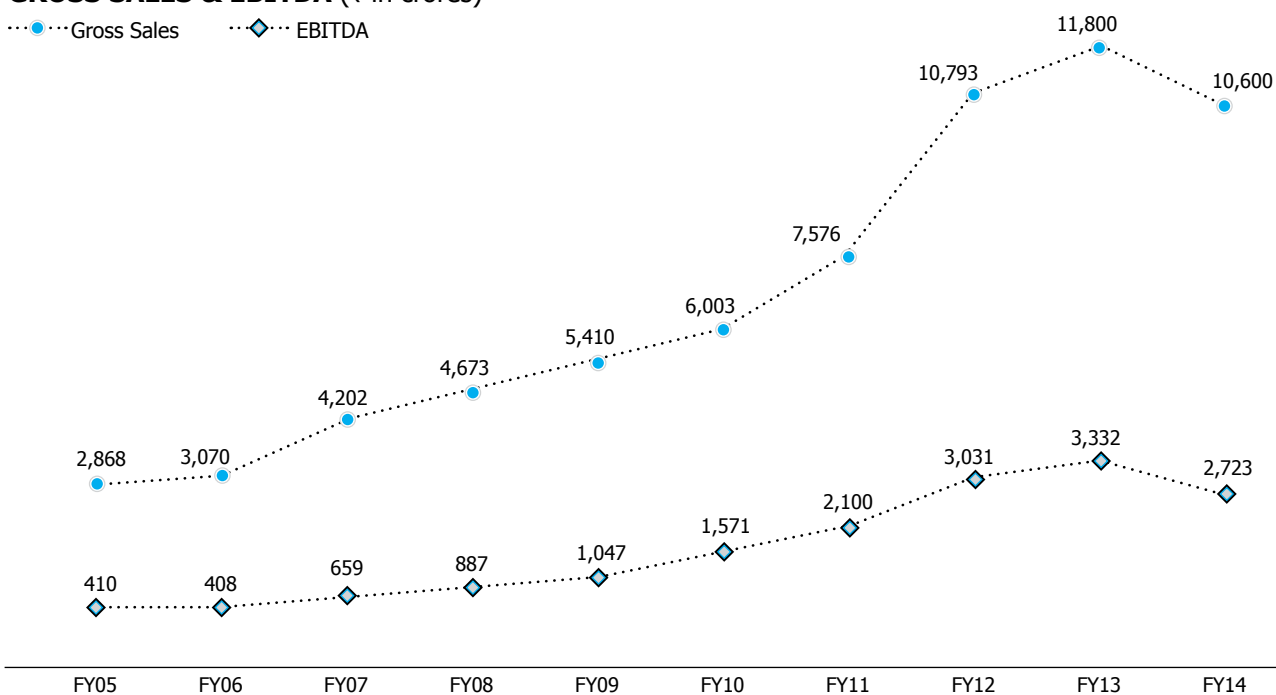
(₹ in crores)

Particulars	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
Gross Sales	10,600	11,800	10,793	7,576	6,003	5,410	4,673	4,202	3,070	2,868
EBITDA	2,723	3,332	3,031	2,100	1,571	1,047	887	659	408	410
Cash Accruals	1,058	2,044	1,984	1,652	1,165	741	708	580	312	318
Net Worth	10,628	10,491	8,918	6,695	4,421	2,781	2,022	1,338	960	805
Gross Block (Including CWIP)	43,270	35,598	28,999	21,818	14,795	10,682	7,495	4,586	3,091	2,044

### GROSS SALES & EBITDA (₹ in crores)

● Gross Sales

◆ EBITDA





## DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present the 31<sup>st</sup> Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2014.

### FINANCIAL HIGHLIGHTS

Particulars	Year ended	
	March 31, 2014	March 31, 2013
Gross Revenue	1060042.90	1180001.85
<b>Profit Before Depreciation and Tax</b>	105929.84	204485.93
Depreciation & Amortisation	96396.41	83086.19
<b>Profit Before Tax</b>	<b>9533.43</b>	<b>121399.74</b>
Provision for Current Taxation	1998.25	24289.36
MAT Credit Utilised/ Available for set-off	(1998.25)	(24175.00)
Provision for Deferred Tax	3241.07	30396.35
Income tax paid for earlier years	96.40	-
<b>Profit After Tax</b>	<b>6195.96</b>	<b>90889.03</b>
Profit brought forward from Previous Year	2176.32	893.09
<b>Profits available for appropriation which the Directors appropriated as under:</b>	<b>8372.28</b>	<b>91782.12</b>
Proposed Dividend on Equity Shares	1132.57	1132.58
Proposed Dividend on Preference Shares	777.99	11.48
Provision for Dividend Tax	324.70	194.43
Interim Dividend on Preference Shares	224.69	895.47
Dividend Tax on Interim Dividend	38.19	145.27
Transfer to Debenture Redemption Reserve	3200.00	26962.50
Transfer to Capital Redemption Reserve	693.34	-
Transfer to General Reserve	700.00	60000.00
Premium paid on Redemption of Preference Shares	168.06	264.07
Balance carried forward to Balance Sheet	1112.74	2176.32
<b>Total</b>	<b>8372.28</b>	<b>91782.12</b>

### INTERIM DIVIDEND ON PREFERENCE SHARES

Interim dividend have been paid at the time of redemption of following cumulative redeemable preference shares:

- ₹10.00 per share on 693334 10% Redeemable Cumulative Preference Shares;
- ₹10.00 per share on 1200000 10% Redeemable Cumulative Preference Shares;
- ₹25.00 per shares on 400000 25% Non-convertible Cumulative Redeemable Preference Shares;
- ₹4.00 per shares on 17249 4% Non-convertible Cumulative Redeemable Preference Shares.

### FINAL DIVIDEND

The Board of Directors recommended the following dividend for approval by the members at the ensuing Annual General Meeting:

- Dividend of ₹10.00 per share on 82,35,433 10% Redeemable Cumulative Preference Shares proportionately from the date of allotment till 31<sup>st</sup> March 2014;
- Dividend of ₹4.00 per share on 3,36,751 4% Non-convertible Cumulative Redeemable Preference Shares ;

- Dividend of ₹2.00 per share on 14,00,000 2% Redeemable Cumulative Preference Shares proportionately from the date of allotment till 31<sup>st</sup> March 2014;
- Dividend of ₹0.50 per share on Equity Shares for the year ended 31<sup>st</sup> March, 2014.

### GROSS REVENUE AND EXPORTS

During the year your Company has achieved the Gross sales of ₹ 10600 Crore in comparison of previous year's level of ₹ 11800 Crore.

Further the company has achieved the Export Turnover of ₹ 1901 crore, registering a growth of 4.85 % over previous year's level of ₹ 1813 crore.

### Export & Marketing

Our products are being exported across the globe and with a firm commitment and through sustained efforts, your company continues to maintain good rapport with Global Customers. Our quality products and timely delivery have found wide acceptance in the highly competitive international market.

The company is marketing its products through in-house marketing department as well as through trading houses / agents world-wide. The company has also established an office in Dubai for covering the markets of Middle East, Sudan & Ethiopia etc. Timely delivery of quality material has been our strength and on that basis we have been getting repeat business with our many customers for last so many years.

### PROJECTS UNDER IMPLEMENTATION

Your company is implementing various projects at Integrated Steel Plant at Orissa to augment steelmaking capacity, to augment availability of Coke, Washed Coal & Captive Power, to optimize cost and to comply with regulations. Details of these projects are given below:

#### Capacity Expansion Projects

- Debottlenecking of the HR Facility to increase HR capacity by 0.5 MTPA to 4.9 MTPA. This project is expected to be commissioned in FY 2015
- Implementation of 0.35 MTPA Colled Rolling cum Electrical Steel Complex at an estimated project cost of ₹ 1563 crores. The facility is expected to be complete by July 2015.
- Completion of Coke oven plant (1.3 MTPA), Coal Washery (2.5 MTPA), 2 DRI Kilns (aggregate capacity of 0.34 MTPA) and 197 MW Power Plant.

#### Efficiency, Cost Reduction & Environmental Compliance Initiatives

- Addition, Modifications and Replacement (AMR) Scheme Project at Orissa to stabilize operation by optimizing logistics and energy conservation and to comply with environmental guidelines. The estimated project cost is ₹ 3892 crores and the project is expected to be completed by March 2015.

### FINANCE

During the year the Company has faced multiple challenges due to suppressed economic conditions and delay in stabilizing Phase III operations due to unfortunate accident. On account of these challenges, the Long Term Credit Rating of the Company was also down-graded to Care BB (Double BB) and Short Term Credit Rating was downgraded to CARE A4 (A Four).

Despite these challenges, your company's bankers have demonstrated continued confidence on the company and during the year following major credit facilities were extended :

- Corporate loan of ₹ 4200 crores** for shoring up of Net Working Capital/ normal capex requirements of the company. The company has tied up corporate loan of ₹ 3575 crs out of ₹4200 crs from 14 banks and the tie up for the balance amount is in process.

- 2. Term Loan of ₹ 2700 crores for Addition, Modifications and Replacement (AMR) Scheme Project at Orissa.** The company has tied up the term loan of ₹ 1560 crs out of term loan of ₹ 2700 crs from 8 banks and the tie up for the balance amount is in process.
- 3. Enhancement of Working Capital facilities** by Working Capital Consortium lead by PNB for ₹ 11390 crore (Fund Based limit of ₹ 5390 crore and Non Fund Based limit of ₹ 6000 crore).

#### **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and Company's Articles of Association, Mr. Brij Bhushan Singal and Mr. P. K. Aggarwal, Directors are liable to retire by rotation at the ensuing Annual General Meeting.

Being eligible Mr. Brij Bhushan Singal and Mr. P. K. Aggarwal, have offered themselves for re-appointment.

Your Directors recommend their re-appointment and necessary items for members' approval for their re-appointment form part of the notice of Annual General Meeting.

#### **FIXED DEPOSIT**

The Company has not accepted any fixed deposit from the Public and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

#### **AUDITORS & AUDITORS' REPORT**

M/s. Mehra Goel & Co., Chartered Accountants, New Delhi, the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. M/s. Mehra Goel & Co., Chartered Accountants have informed the Company that if appointed, their appointment will be within the prescribed limits U/s 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointed. Accordingly members' approval is being sought for their re-appointment as the Auditors of the Company at the ensuing Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

#### **COST AUDITORS**

M/s Kabra & Associates, Cost Accountants, New Delhi was appointed as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2013-14.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act 1956 with respect to the Directors Responsibility Statement, the Directors based on the representations received from Operating Management, hereby confirm that :-

- i) in the preparation of the Annual Accounts for the financial year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

#### **AUDIT COMMITTEE**

Pursuant to the provisions of Section 292A of the Companies Act, 1956 (as amended), and in accordance with the requirements of Clause 49 of the Listing Agreement(s), the Board of Directors of the Company has

constituted a Committee of Board of Directors as Audit Committee. Presently the Committee consists of four (4) Directors namely (1) Mr. B.B. Tandon (2) Mr. B.B. Singal (3) Mr. M.V. Suryanarayana and (4) Mr. V.K. Mehrotra

Mr. B. B. Tandon is the Chairman of the Audit Committee. Audit Committee shall have such powers and authority as provided under the aforesaid provisions and shall act in accordance with the terms of reference to be specified in writing by the Board of Directors from time to time.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Pursuant to Section 135 (1) of the Companies Act, 2013 which comes into force with effect from 1st April 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee comprising Mr. B.B. Singal, being its Chairman and Mr. Nittin Johari and Mr. B.B. Tandon as its members. The Corporate Social Responsibility Committee shall institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by Company.

#### **PARTICULARS OF EMPLOYEES**

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in the Annexure – 'A' forming part of this Report.

#### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your company is committed for conservation of energy and developing & absorbing new technologies. During the year under review, your company took various initiatives w.r.t. conservation of energy and developing new technologies. Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure 'B' forming part of this Report.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 the Company has transferred the amount which remained unpaid or unclaimed for a period of seven years to the Investor Education Protection Fund.

Further the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on its website [www.bhushansteel.com](http://www.bhushansteel.com) and also on the website of Ministry of Corporate Affairs pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules 2012.

#### **CORPORATE GOVERNANCE**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance with the Stock Exchanges. Management Discussion & Analysis, Corporate Governance Report and necessary certificates are forming part of this Report.

#### **HUMAN RESOURCE DEVELOPMENT**

Your Company achieved a record level of turnover due to the untiring efforts put in by the people at all levels. Industrial relations remain cordial throughout the year and the Board records its appreciation for the contribution of all employees towards the growth of the company without which the achievements made would not have been possible.

#### **SHIFTING OF REGISTERED OFFICE**

The Registered office of the Company was shifted from F-Block, 1st Floor, International Trade Tower, Nehru Place, New Delhi - 110019 to Bhushan Centre, Ground Floor, Hyatt Regency Complex, Bhikaji Cama Place, New Delhi - 110066 w.e.f. 15.05.2014.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.



**SUBSIDIARIES**

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. As per the general exemption given by Ministry of Corporate Affairs vide General circular no. 2/ 2011, the Company is exempted under Section 212(8) of the Companies Act, 1956 from attaching to its Balance Sheet, the individual annual Reports of its subsidiary Companies.

As per the terms of the General circular no. 2/ 2011, a statement containing brief financial details of the Company's Subsidiaries for the year ended March 31, 2014 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any investor of the company / its subsidiaries of seeking such information at any point and are also available for inspection by any investors of the Company/its subsidiaries at the Corporate Office of the Company and that of the head offices of the respective subsidiary Companies.

Detail of subsidiaries of the Company are covered in the Annual Report.

**ACKNOWLEDGEMENTS:**

Your Directors would like to express their gratitude & appreciation for the valuable guidance & support received from Government of India, Government of Australia, various State Governments particularly including States of Orissa, Maharashtra & Uttar Pradesh; Banks and the financial Institutions; various stakeholders such as Shareholders, Debenture-holders, Customers, Dealers, Suppliers and all the business associates among others. Your Directors also wish to place on record their deep sense of appreciation & gratitude to all Company's employees for their continuous commitment & enormous personal efforts as well as their collective contribution towards the growth of the Company.

The Directors look forward to their continued support in future.

for and on behalf of the Board of Directors,

Sd/-

Place : New Delhi  
Dated : 12<sup>th</sup> August, 2014

**(B. B. Singal)**  
Chairman

## ANNEXURE - A

### ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

#### EMPLOYED THROUGHOUT THE YEAR AND WAS IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 60,00,000 PER ANNUM.

SR. NO.	NAME	DESIGNATION	REMUNERATION (₹)	QUALIFICATION	AGE	EXP.	DATE OF COMMENCEMENT OF EMPLOYMENT	NATURE OF DUTIES	LAST EMPLOYMENT
1	Mr. Neeraj Singal	Vice Chairman and Managing Director	14325280	Graduate	46	27	01.04.1992	Operations and day to day Management	Executive Director with Bhushan Metals Ltd
2	Mr. Nittin Johari	Whole-time Director & Chief Financial Officer	9716523	M.com, FCA.	51	29	06.01.1995	Corporate financing and other related matters	Financial Controller with Wimco Limited
3.	Mr. Ashok Kumar Raina	Executive Director	7228800	B.E. (Metallurgy)	66	40	01.08.2011	Corporate Development	Managing Director with Auto Tech Ltd

#### EMPLOYED FOR PART OF THE YEAR AND WAS IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 5, 00,000 PER MONTH.

Nil

#### Note:

1. Remuneration as shown above includes salary, allowances, medical expenses, house rent, and taxable value of perquisites but excludes gratuity provision.
2. Mr. Neeraj Singal is son of Mr. B. B. Singal, Chairman of the Company.
3. Mr. Neeraj Singal holds 32.27 % of Paid-up Equity Share Capital of the Company as on 31.03.2014.
4. Nature of employment of Mr. Neeraj Singal is contractual.

## ANNEXURE- 'B'

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

### A. CONSERVATION OF ENERGY :

#### (a) Energy Conservation Measures taken :

- Base Mix preparation unit commissioned to feed Base Mix for Sinter Plant to improve sinter quality & Blast Furnace Efficiency
- Efficient usage of In-plant wastes such as GCP Sludge, Fume Extraction dust, Mill Scale and BOF Filter Cake through Base Blending station.
- Continuous improvement in sintering and maintenance practices leading to 99.2% capacity usage of Sinter Plant #1 .
- Consistent improvement in feed materials and close monitoring of BF process leading to to monthly average of 117 kg/thm of Pulverized Coal Injection (PCI) & to monthly average productivity of 2.67 T/m3/day at BF#1 in March '14. Annual average availability of the Furnace remained at an impressive 97.03% level.
- Cold Briquetting Plant was commissioned at DRI plant and achieved 90% of rated capacity (daily production basis) within short period. This Plant converts DRI Fines (-5 mm), together with binders such as lime and molasses into more stable, ease to handle product e.g., briquettes for consumption in Steel making units (CONARC).
- Coke Oven #1 is a zero discharge plant. All the waste water from

the Batteries are recycled and treated through BOD Plant. The Plant has been stabilized during the year with :

- Stabilization of waste water treatment plant through enhancing microbial culture;
- Stringent policy in checking surface run-off water into the outside stream and achieving this through construction of impervious pond
- Sincere efforts in the reduction of major pollutant in the influent water and treated effluent water which are almost close to the norms
- New CTL addition , Capacity 0.20MT, Thickness: 8 to 25mm, Width: 800 to 1700mm. Length: 12000mm
- Installation of slab Conveyor system at Slab yard for Hot Direct Charging of slabs coming from caster directly into the reheating Furnace.
- Adopted strategy of conservation of Power in idle time during operation of Hot Strip Mill.
- Introduced HSS Work Rolls in finishing stands at HSM for Multiple Rolling campaigns and Good surface finish on strips.
- Introduced E-ICDP Work Rolls in the Finishing Stands for longer campaigns and better surface quality of strips.
- RHF#1 &2 Skid cooling inlet circuit no #12 modified that resulted in increase in productivity & reduced down time.

- FM 1 to 4 stands Work Roll cooling nozzles modified to increase water flow that resulted in Work roll peeling & improvement in surface quality of strips.
- In house Development of FMHP Heat Exchanger system made in line to reduce the temperature of FMHP Hydraulic system that resulted in reduction of break down.
- First time in the world successfully installed commissioned PCD (Post combustion) Top lance in CONARC resulting in reduction of lance jam, tip consumption and increase in availability of lance to use. As the lance tips getting damage because of manual lance jam cleaning which is not required now?
- Installed & commissioned MIWENTI oxygen lances to achieve high productivity.
- Replaced all carbon injection line bends with ceramic coated type bends which enhance to inject more carbon to cover arc.
- Floor concreting done at 0 mtr at electrode gantry area to avoid frequent fire in tunnels.
- Implementation of YES(Yield Enhancement System) Tundish for Yield Improvement. So far 8 Tundish converted and average tundish return reduced from 5.8 T to 3.2 T. Further conversion of remaining tundish is under progress.
- Header was interconnected between Centac #5 and utility header to reduce pressure drop. Leakage arresting was done. Cost: ₹ 3 lakhs, Saving: ₹ 3.14 crore
- Special maintenance of chillers were taken to bring down the SEC. Cost : Marginal, Saving: ₹ 25.29 lakhs
- Impeller were trimmed of chiller#4 which reduced in saving of power by at least 11.2 KW.Cost: Marginal , Saving: ₹ 6.96 lakhs
- The oven in CCL was switched over to AUTO mode to maintain oxygen level as well as reduce flue gas temperature. About 200 MT RLNG saving. Cost : Marginal , Saving : ₹ 1.13 crore
- Defective Motorized valves of Air knife in 4HI mill #1 & 2 were repaired which were causing wastage of compressed air .Cost : Marginal, Saving : ₹ 10.36 lakhs
- Fine tuning of burners were carried out for furnace #4 of H&T .Cost: Marginal, Saving: ₹ 13.60 lakhs.
- In degreasing section of G.P-2 70 kw pump was replakhsed by 18.5kw.Cost : ₹ 75000 , Saving : ₹ 7.6 lakhs
- Identification of conveyor motors which are not required unless 18 mtr pipes is running was carried out and were switched off total of 8 motors were identified. Cost: Nil , Saving : ₹ 1.23 lakhs
- Installation of 8000 LPD solar water heater completed at Bhushan Garden.
- K VX module a magnetic device was installed on boiler because of which fuel saving of >10 % was achieved. Cost: ₹ 36 lakhs, Saving : ₹ 1.14 crore
- Installation of VFD in many areas resulting in huge savings of electrical energy. Some of the major areas are listed below.
  - A. Roll coolant pump #2 at 6 HI mill. Cost: ₹ 5.50, saving: ₹ 63.35 lakhs
  - B. Pot cooling blower in G.P 1.Cost : ₹ 2.90 lakhs , Saving : ₹ 9.73 lakhs

**(b) Additional Investment & Proposal for Reduction of Energy Consumptions:**

- Utilization of Mixed Gas (coke oven gas and BF gas) as fuel in Continuous Annealing Line (CAL) at Cold Rolling Complex.

- Generation of 14 MW electrical power with installation of top pressure recovery turbine (TRT) & generator in Blast furnace-2. (Under final stages of commissioning)
- Generation of steam with installation of Coke dry Quenching (CDQ) in Coke Oven -2 to be used as process steam in BF and cokeoven areas.
- Installation of waste heat recovery system in Blast Furnace-2 (Under commissioning)
- Installation of 60T and 125T mixed gas fired boilers to utilize the excess gas available from process. (Erection work started)
- Generation of H2 from coke-oven gas to be used in Annealing furnaces and GP lines of CRM and utilization of residual sulfur free balance gas as fuel in Annealing furnace and GP lines as replacement of LPG.
- Use of VVVF drive in Cooling Tower Fan motors for Power Plants (33MW + 77 MW, 2 X 165 MW), HSM and SMS 1 & 2, Blast Furnace, CRM, Oxygen Plants, BOF areas)
- To install K VX magnetic module on CCL line T.O.
- To provide 3 no's VFD on roll coolant pump of all 4HI mills.
- To provide waste heat recovery system on H&T furnaces #1&2 and to utilize recovered waste heat in hot air dryers of grinding machines which is currently heated by steam.
- To replace the present electrical heating system of dryer in STP of Tube mill with RLNG.
- To provide VFD's on AHU blowers at 4HI mill main ECR, ECR -annealing & Tube Mill#4.
- To install Poly-crack System to convert plastic waste into fuel
- To install solar water heating system of capacity 8000 LPD at Residential.

**(c) Impact of the above measures:**

The above mentioned Energy Conservation measures resulted in achieving:

- Saving of about ₹ 313 lakhs projected by connecting header of centac #5 and utility. This activity reduced the wastage of compressed air and resulted in reduce pressure drop and reduced venting, as a result 4<sup>th</sup> compressor was stopped permanently.
- Special maintenance of chillers were carried out to bring down SEC near to 0.60 Kw/TR saving of about ₹ 25.29 lakhs was achieved.
- Trimming of impeller of chiller #4 was carried out by 6% which resulted in power saving of about 11.2 KW which resulted in a saving of ₹ 6.96 lakhs.
- Oven in CCL line has been made effective in AUTO mode , Damper in the exhaust has been rectified leading to saving of appx 180 mt of RLNG
- Defective motorized valve in 4 HI mills were replaced giving us a saving of: ₹ 10.36 lakhs.
- Fine tuning of furnace # 4 was carried out in H&T which improved combustion efficiency as well as combustion parameters.
- In degreasing section of GP 2 it was identified that there is no requirement of 70 kw pump so it was replaced by 18.5 kw
- Conveyor motors which were not required for 18 mtr pipe were switched off and were connected only on process requirement.

- 8000 LPD solar water heater was setup for new building in Bhushan Garden.
- K VX module was installed on boiler which helped us to increase our combustion efficiency by >10% and reduce CO emission by >30%.
- Generation of (77 + 33 MW) power from Waste gas of DRI.
- Saving in consumption of metallurgical coke by around 20 Kg/Ton of liquid pig iron produced achieved from waste heat recovery system of Blast Furnace-1.
- Drastic reduction in the consumption of LPG & LDO in Sinter plant, HSM Re-heating furnace, Lime dolo calcination plant and CRM complex.
- Ultimate saving in consumption of high grade metallurgical coke.
- Generation of 12 MW power from BPTG instead of wasting the energy in PRDS.
- Reduction in the consumption of coal required for generation of Steam for power plants.
- Reduced power requirement & improvement in power factor.
- Generation of 250KW power on continuous basis.
- Generation of process steam to be used in Blast furnace and cokeoven plant.
- Substantial saving in electrical energy by using Induction and LED lamps.

**FORM-A**

The details regarding present energy consumption including captive generation are furnished as per Form A of the Annexure to the Rules.

**I. POWER & FUEL CONSUMPTION**

	2013-14	2012-13
<b>1. ELECTRICITY PURCHASED</b>		
Unit (No. in lacs) KWH (including used for Project)	16551.89	19021.02
Total Amount (₹In Lacs)	96787.90	97213.14
Rate/ Unit (₹)	5.85	5.11
<b>2. OWN GENERATION (THROUGH FURNACE OIL GENERATOR)</b>		
Unit (No. in lacs) KWH	859.93	1140.18
Unit per ltr. of oil Excluding RLNG consumed alongwith Furnace Oil)	6.10	6.24
Rate per Unit (₹)	6.62	5.94
<b>3. OWN GENERATION (THROUGH STEAM TURBINE GENERATOR)</b>		
Unit (No. in Lacs) KWH (including units sold)	2388.41	2503.45
Unit per MT of Steam	230.91	251.49
<b>4. FUEL CONSUMED IN MANUFACTURING</b>		
Qty. (Ltrs. In lacs)	37.54	73.96
Total Amount (₹In Lacs)	1477.34	3131.21
Avg. Rate (₹)	39.35	42.34
<b>5. RLNG</b>		
Qty. (Thousand BTU in Lacs)	19371.05	18201.34
Total Amount (₹in Lacs)	18088.62	12643.05
Avg. Rate (₹)	0.93	0.69

**II. CONSUMPTION PER UNIT OF PRODUCTION.**

	2013-14	2012-13
Production (MTs)	1970511	2367126
Elect. (Unit/ MT)	681	585
Fuel Oil (Ltrs. / MT)	1.91	3.12
RLNG (Thousand BTU)	1448.79	1311.84
Elect. (₹/ MT)	3314.72	2676.99
Fuel Oil (₹/ MT)	74.97	132.28
RLNG (₹ / MT)	1352.88	911.23

**FORM B**

(Form for disclosures of particulars with respect to technology absorption)

**RESEARCH & DEVELOPEMENT (R & D):**

Company's Research and Development activities consist of carrying on normal quality testing of its raw material, work in progress and finished goods. It does not involve developments of new products.

**1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY :**  
**ORISSA PLANT**

- Successful development and supply of 28MnB5 high Manganese & Boron Steel grade in size 8x1196 mm for agricultural disc application for overseas customer.
- High strength structural steel for Indian Railway Wagons produced with improved corrosion esistance (copper addition) having YS level minimum 450MPa in higher thickness in sizes 20/25x1250mm
- Developed 58CrV4 Grade HR coil in 3.5/4.5/20x1250 mm for H& T application for SAW blades-R58 for overseas market.
- Developed structural grade with restriction in silicon (0.04% max) for Galvanizing for High Strength & supplied to Domestic as well as Overseas Market in different sizes of 2.0x1250 mm, 4.0/5.0/6.0x1500 mm for applications in crash barriers as well as construction of Electric poles.
- Developed HR coils with customized composition for cost optimization. Steel supplied to JCB & other Domestic customers for application in heavy construction equipments as per EN10025-S355 & 2062 E350 grade in size 6//8/12x1500 mm.
- First time developed with appropriate steel composition and rolled 1.6 mm Chequered coils & sheets as per JIS 3131 SPHC grade for different overseas customers. Chequered coils rolled in different sizes of 1.6 to 5.5 mm x 1000 to 1219 mm for various applications.
- Developed cold rolling grade for cycle rim application in 3x1250 mm size.
- Developed Boron treated low carbon steel for better cold rollability & Galvanizing applications.
- Produced IS 1079 Gr-O with Cu for Railway wagon application.
- Successful development of customized HR coils for cold rolling & galvanizing application to achieve optimum hardness in finished product.
- Steel developed for Catering to critical EDD grade requirement by restriction of Nitrogen value below 50 ppm for better mechanical properties & draw ability at CRCA stage.
- Debottlenecking of slabs with deviation in low carbon steels with an appropriate grade T11 for tube applications.

- Cost optimization by optimizing chemistry of different steel grades (structural, pipes & tubes) without compromising requirements of end products.
- Successfully commissioning and operation of BOF 1&2, HMDS III & IV and LRF III
- Successful commissioning of RH Degasser for production High Value added steel for automotive sector of Slag Automizing Plant (SAP).

#### SAHIBABAD PLANT

- Development of embossed panel material for appliances as an import substitutes for Samsung
- Development of skin panels for Alto – 800, Ertiga & Celario models of Maruti Suzuki
- Development of hardened and tempered material, Exports also started.
- 02 Nos Acid regeneration plant commissioned.

#### KHAPOLI PLANT

- New CRS & CTL from M/s Fimi has commissioned.
- LEL System installed in CCL Line for safety & control.
- Degreasing system start in Galume Line (GP II) .
- CCL line modification for speed increase from 90 MPM to 120 MPM .
- 100% Implementation Ring tool for ID Fin cutting on Tube Mills instead of Leg type tools.
- New Rotary seam guide installed on Tube Mill-3 & Tube Mill-4 instead of side support seam guide.
- New tube Sizes Developments: 31.75X 3.5, 38.1X4.5, 41.28X4.5, 50.8X6.5, 69.85X6.5, 84.3X76.15X2.8mm (section).
- New Tube Mill (TM7) installed & operative successfully.
- Increased the Capacity of slitting by 15% by adding a new slitting line in NCRM Division.
- Innovated a facility called "WELD LESS JUMBO COILING" in HTSS for benefit of Automatic packing machines

## 2. BENEFITS DERIVED AS A RESULT OF ABOVE R&D:

- Bhushan Steel Limited is the first player in Indian Steel Industry that has started making Dent Resistant Steel for Automobile Sector especially for outer body skin panels. So far all car manufacturers were importing the said grade of steel. With these efforts, Indian Car Industry has achieved Indignation of upto 96% of the car body sheet panel. The company has developed Ultra low carbon steel (ULC-IF steel) and Dent resistant high tensile material i.e. APFC 340, APFC 390 & SPC 440 for the outer body panels. New grades required for the automotive sector other than the EDD quality sheet have been produced, supplied and performing well at the various automobile manufacturers.
- Rolling up-to 1700 mm width has been achieved.
- Non Scalloping material with equiaxed grain structure for the bearing case industry has been established. Enamelling grade for the kitchen ware application has been accepted by the market. Approval granted by Honda Motors Japan for Outer body skin panels & Production of Alu Zinc (Galume) Started.
- In the initial stabilization period of ConArc – LRF-CCM operation, Plant has started developing Special Steel Grades for
  - cold rolling for automobile and White goods industry like D/DD/EDD,
  - Tube making Grades steel,
  - Medium & High carbon steels,

- Micro Alloyed Steel( Low Alloy High Strength –HSLA)like SAE1541, SAE1060, SAE1045,
- High tensile structural steel in St52.3,etc
- Net efficiency increase by adding additive. (carbonyl-o) and actual fuel saving - 1.01 % of fuel consumption.
- Sludge reduction by way of sediment and asphaltting reduction in treated tank by carbonyl-o.
- Net increase in calorific value of f.o. after adding additive is 0.12 mj / kg.
- Total sulphur content is reduced by 0.40 % by additive and reduced corrosion of equipment and pollutant to atmosphere.
- Engine sound has reduced and opacity of smoke has also reduced.
- Adequate changes (reduced) of carbon deposits on turbocharger turbine blades, which resulted to better efficiency of the dg sets.
- Exhaust gas temp comes down by 5 to 8 `c from running parameters.
- During major maintenance (50000 r.h) of dg#1, very less carbon deposition found on engine parts as compare to proves maintenance (33450 r.h).
- Due to Integrated power generation facilities, continuous un-interrupted supplies of material to the customer to meet their tight schedule and production targets.

## 3. FUTURE ACTION PLAN

The Company has been making continuous efforts to achieve 100% indignation of the auto industry, to optimize different annealing cycles for getting optimum properties and to reduce process cost & reduce failure and improve performance of the existing and newly developed products. Key plans of the company in this regard are summarized below :

- New grade development plan for FY 2014-2015
  - IF Steel for Automotive industries.
  - IF HS-340.
  - BSK-46 for Auto Component
  - API 5L X-80 for high strength line pipe applications.
  - API 5CT grades like J55 & K55
- Procurement and commissioning of VVVF drives and motor for coal charging optimization.
- Commissioning of Dry Quenching system for Coke cooling.
- Procurement and commissioning of accumulators of both Fume Cars for 24 hours running of Fume Cars in Batteries for reducing charging emission.
- Increase in PCI rate up to 150kg/thm.
- Hot Blast Temperature is to be raised up to 1200deg.C.
- For Future Plan of action Winding and Repairing shop for HT/LT motor is envisaged.
- To use coke oven gas in both BHEL boilers.
- Planning to install 2 Ton electrical hoist in both BHEL Boilers to lift bed material at required level to reduce Time & man power.
- Planning to change cooling tower pump impellers from Cast steel to stainless steel (Energy saving).
- One 1250MM Wide 6Mi Cold Rolling Mill
- One Rewinding Cum Trimming Line.



- One Galvanizing Cum Galvalume with Ceramic Pots.
- One Cut to Length Line.
- Utilities such as Compressor form INGERSOLL RAND DM wake plant .Soft water plant from Ion Exchange-Mumbai
- 40NM<sup>3</sup> x 2 Hydrogen Plant from Peric , China
- To replace old control system of all steering in Colour Coating Line by upgraded control system of CMI to obtain sheet centering to reduce sidetrack, to reduce roll damage, to maintain proper tension, to prevent catenaries fluctuation etc.
- Planned to increase CCL speed from 90 MPM TO 120 MPM, by upgrading existing line equipments, existing system; trails are successful up to 105 MPM.
- Online colour and DFT measurement system
- Installation of small dia. Pipe mill of capacity 3" to 9", Make-Milltech, Korea.
- Magnetic Particle Inspection equipment, Make - K-Electronics, Mumbai.
- Automatic Hardness tester for the evaluation of material's hardness to cater bulk Samples for API orders.
- Up-gradation of API 5L license up to X-80 grade & API 5CT license up to K-55 grade.

**4. EXPENDITURE ON R&D :**

a) Capital	- NIL
b) Recurring	- ₹ 270.63 Lacs
c) Total	- ₹ 270.63 Lacs
d) Total R & D Expenditure as % of Total Turnover	- 0.0255%

**TECHNOLOGY, ABSORPTION, ENERGY CONSERVATION, ADAPTATION AND INNOVATION:**

**EFFORTS TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

**ORISSA PLANT :**

Company's Plant at Orissa is a backward seamless integration to manufacture HR Coils, Billets & Blooms along with Power generation facilities. All machines and Technology are from world renowned suppliers like SMS Siemag-Germany, Tenova-Italy, Lurgy, Concast, Paul Wurth, Danieli corus etc.

Process Routes

- DRI – IF/EAF – LF -- Billet Caster/Slab Caster
- SP – BF – CONARC(HM + DRI/SCRAP) – LF -- Slab Caster – Hot Strip Mill Along with Power Plant/Coke Oven Plant

Facilities completed & put in operation

- 8 number of 500 TPD DR Kilns with Cold DRI
- Power Plant – 33 MW & 77 MW, along with 2 x 220 KV & 33 KV Switchyards
- SMS # 1 with
  - 6 Nos. 15 T Induction Furnace,
  - One no 15 T LRF
  - 2- Strand Billet Caster
  - One no. 60 T EAF
  - One no 60T LRF
  - One no 60T VD

- 3 - Strand Billet Caster
- Single Strand Slab Caster (1300MM WIDE)
- 3 Oxygen Plant (896 TPD capacity) with Oxygen, Nitrogen & Argon separation systems
- Utility systems with water treatment and water cooling systems
- Full-fledged Railway Network with Yards, 3 Wagon Tippers & 4 truck tippers
- State of the Art Raw-material handling systems for seamless operations of the plant
  - 425 TPH Coal Washery along with Middling circuits
  - Coal Crushing, Screening & Handling System
  - Iron Ore Crushing & Screening Complex
  - Coal, coke, lime, iron ore etc conveying systems
  - Stackers & Reclamers
- Sinter Plants : 1x177 M<sup>2</sup> & 1x 204 M<sup>2</sup>
- 1681 Cum Blast Furnace
- 3 x 300 TPD Lime/Dolomite Kilns,
- 1 x 0.85 MTPA Coke Oven Plant
- SMS #2 with:
  - 1 x 180 T Twin Shell Conarc Furnace
  - 2 Nos. LRF for secondary refining of steel
  - 2 Nos 130 T HMDS
  - 180 T RH - degasser
  - 3 nos 800 to 1680x 200 to 250mm Single Strand Slab Caster.
- 3 no Automatic Slab Transfer Cars handling slabs from Caster 1 & 2.
- 1850 MM Wide HSM equipped with HAGC, CVC, and Profile & Flatness control, RM-2, Coil Box, 6-Stand FM, 2 Nos. Down Coilers & 2 Nos. 300 T/Hr RHF.
- 45 no's Automatic Coil Transfer Cars to cater total coils production of HSM
- Finishing Line – One HR Slitter 1.5mm to 16mm (Make: DAEHWA, Korea) ,
- One CTL – 1.2 mm to 12mm (Make: FIMI).
- Cold Rolling Mill (CRM) Facilities existing.
  - One 1050MM 6HI Cold rolling mill
  - One 1250MM width Cold rolling mill
  - One 1350 mm Wide 6 Hi Cold Rolling Mill.
  - One 1350 mm 4- Hi Skin-Pass Mill.
  - 1 no's 1600mm Wide FIMI CR Slitting Lines.
  - One no 1600mm Wide FIMI Cut to Length Line.
  - One no 1350mm Wide Electrolytic Cleaning Line.
  - One no ECL Water Recovery Plant.
  - One no POMINI Roll Grinding Machine.
  - One no Electro Discharge Texturing (EDT) Machine from UK.
  - One 1850 MM Wide HR Slitting Line.

- One 1650 MM Pushpull/Semi Automatic Pickling Line.
- One 2500 Lts/Hr Capacity Acid Regeneration Plant.
- One Effluent treatment plant
- Two Rewinding Cum Trimming Line
- One no 1250mm wide Flux Galvanizing Line.
- One Galvanizing Cum Galvalume with Ceramic Pots.
- Four Cut to Length Lines.
- Six no's barrel Corrugators.
- Utilities such as Compressor form INGERSOLL RAND, DM water plant...Soft water plant from Ion Exchange-Mumbai.
- One 10Ton Boiler from Industrial Boiler, Mumbai.
- BP Sheet Annealing Furnace.
- 40 NM3x 2 Hydrogen Generation Plant from Peric, China
- 30 no's Coil Cooling Bases.
- 12 no's Gas Fired HICON/H2 Bell Annealing Bases.-150MT Charge Weight.

#### Facilities under completion

- 500 TPD DR Kiln No.# 9 & 10
- 1x 300 TPD Lime Kiln
- One no 204 M<sup>2</sup> Sinter Plant
- 2.5 MTPA Coke Ovens (72 Nos. 7.6M tall ovens) with all associated Facilities
- 1 x 3800 Cum Blast Furnace with all associated Facilities
- 2 x 180 T BOF / 2x 180T HMDS, 1x 180T LRF, 1x180T CASOB, 2 no's Argon Rinsing Stations.
- One no 1200 TPD Oxygen Plant
- One CTL - 8 TO 25.4MM , Width 2150mm with Future provision of Side Trimming (Make: FIMI)

#### Facilities under implementation

- 2 x 600 TPD Lime Kilns.
- Wagon Tiplers # 4 & 5.
- 1120 TPD Oxygen Plant
- Hot Strip Mill Expansion
  - 1x 330T RHF, Roughing Mill #1, Finishing Mill # 7 and Down Coiler # 3.
  - 4 no Automatic Slab Transfer Cars to cater the production Caster 1, 2 & 3.
- HSPM – Hot Skin Pass Mill , Make CMI FPE -1.5 MTA, 1.2 to 6mm Skin-Pass and 1.2 to 8 mm Recoiling Capacity.
- Automatic Coil Transfer Extension in Coil Yard Bay1.
- Dry Quenching system for Coke cooling.
- Stacker cum Reclaimers # 1A & 6.
- Reclaimer # 4

#### Cold Rolling Facility under implementation

- 06 no's Gas Fired HICON/H2 Bell Annealing Bases.-150MT Charge Weight.
- 1 no's 1600mm Wide FIMI CR Slitting Lines.
- One no Narrow CR Slitting Line from ESMECH, Mumbai.

- One no Narrow CTL Line from Daehwa, Korea.
- One no Colour Coating Line 1300mm width.
- One no 1250mm Wide Rewinding cum Tension Leveling Line.

#### **SAHIBABAD PLANT:**

- a) Latest 6HI UCM Cold Rolling Mill (from Hitachi Japan) with allied facilities like Electrolytic cleaning line, 100% Hydrogen furnace, 4 HI skin-pass mill (from Clecim France) with electrostatic oiler (from Ravirne Italy), sophisticated roll grinding machine & electro discharge texturing machine (from Waldrich Siegen Germany), Fully automatic CR Slitting lines from (FIMI Italy), CTL & multi blanking line with electromagnetic stacker (from Hen rich George Germany) and fully fledged laboratory and R&D centre to meet the stringent requirements of car body manufactures is already in operation. Additional Roll Grinding facility with on line crack detection (from Wald rich Siegen – Germany), has been implemented.
- b) Addition of Embossing line for colour coated product for more value addition in Appliance Sector.
- c) Addition of Finishing line capacity by adding 02 Nos. cut-to-length lines.
- d) Re-vamping of 20-HI rolling mill.
- e) Installation of Sewage Treatment plant for environment protection.
- f) Integrated power generation from two DG sets of 12 MW each (from MAN B&W- Germany).
- g) 2 Nos. Acid Regeneration plant is under erection.
- h) Re-certification of ISO/TS 16949 from 2002 version to 2009.
- i) Certificate has been obtained from Duns & Brandstreet Information Services India Pvt. Ltd (DUNS Number 65-008-1524) for supplying our material directly to Auto OEM's abroad like ( GM, Ford, Chrysler, Volks Wagon etc.)
- j) Installation of Kathabar coil cooling system imported from LOI Thermo process Germany has resulted in increased productivity & also helped in eliminating rejection due to pin rust.
- k) 06 No. Hydrogen bases added from Ebner Austria.
- l) Addition of Colour Coated & Profiling facility.
- m) Establishment of Service Center for color coatingline.

#### **KHAPOLI PLANT:**

- a) Installation of 1 no. Narrow Cold Rolling Mill with capacity to roll high carbon steel with most modern automation and control system from ABB
- b) Installation of 6 nos. Wide size annealing and 4 nos. Narrow annealing bases (from Ebner, Germany).
- c) Installation of Sophisticated Hardening and Tempering Furnace controlled with ABB automation system.
- d) Setting up of Continuous Grinding Line (from Bruer, Germany) for attaining high quality of grinding and polishing on steel strips
- e) Setting-up of 1 no. Ultra Modern Facility to process tubes for the production of boiler tubes, Precision tubes, drawn tubes and various square & rectangular tubular section to meet all market segments
- f) Narrow cold rolling mill complex has got additional facilities –
  - i) CR Slitter for multi-slitting operation having sophisticated Siemens controls
  - ii) Rewinding Line for rewinding and inspection, again with state-of-art ABB automation
  - iii) CR Slitter for multi-slitting of steel strips with Siemens automation system

- iv) Cut-to-Length machine to cut steel strip within close tolerances
- g) Service centre has been put up with most modern facilities :
  - i) CR Slitter (from Daehyun, Korea) for processing of slits of wider strips with controls (from Mitsubishi)
  - ii) 2 nos. Cut-to-length (from Daehyun, Korea) for cutting of steel strip with high precision
  - iii) Very sophisticated Cut-to-length (from Fimi, Italy) for the cutting of steel strips within close tolerances
  - iv) CR Slitter with most sophisticated controls from ABB
  - v) Tension levelling line for obtaining perfect levelled steel sheets to meets Indian & Global elite market
- h) Skin Pass Mill has already been commissioned successfully. Flattening spangles, improving surface roughness, partly eliminating the yield point elongation
- i) Electrical Discharge Texturing Machine has been installed to obtain desired roughness for processing of high quality of steel strips. Electrodes are mounted on the machine in a manner which maximizes flexibility in respect of the roll diameters that can be textured. It helps to improve the painting process of the final product, enhancing its appearance, as well cold forming operation, reducing die wear
- j) 5 nos. Profile Machines have been installed for the processing of high quality profile of GI, GL and colour products for various commercial applications.
- k) Electro static oiler for controlled oiling for CRCA applied for auto sector and appliance industries.
- l) 100% Hydrogen atmosphere controlled bell annealing furnaces for achieving uniform properties in CRCA.

1. All the automobile grades developed by the Company are now well-established and are import substitutes. This has helped all major car manufacturers to achieve up to 96% indigenization of the vehicles and substantial cost saving.
2. Bare Galume product well established for grades with YS 230 to 550 Mpa grades in acrylic coated condition confirming to 1000HRS of salt spray corrosion tests.
3. Following Pre-painted products developed by the Company are now well established :
  - a. All paint systems i.e RMP, SMP, PVDF, SDP developed by Company are well established.
  - b. High scratch & dust repellent paint system (HSDR quality) being used for clean roof application.
  - c. Different wrinkle finish paint for high class roofing/cladding/sandwich panels.
4. Development of special grade steel like IF Steel, extra low Carbon Steel, API-5L (X-70 to X-80) through Hot Metal treatment through HMDS and Steel vacuum treatment in RH-degasser for wider application and improved market.
5. BOF route steel making will enhance further development of low carbon high purity steels for automobile sector application through cold rolling and direct hot rolled and micro-alloyed route.
6. Enhancement of HSM capacity will lead to increased productivity, process control and cost reduction in final product.
7. Larger capacity BF-2 increased productivity and cost reduction in Iron & steel production.

**TECHNOLOGY IMPORTED DURING THE LAST FIVE YEARS**

**a) Technology imported:**

Main Mill equipment & design has been imported through SMS-Siemag, Corus, Tenova & Paulwurth etc.

**BENEFITS DERIVED AS A RESULT OF THE ABOVE EFFORTS, E.G., PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT, IMPORT SUBSTITUTION, ETC.**

**b) Year of Import:**

2009-10	2010-11	2011-12	2012-13	2013-14
Blast Furnace I from Danieli, DRI module 7 & 8, Conarc, Caster 1 strand caster 1680mm, HMDS – 1 & 2, LF 1 & 2 from SMS	Hot strip mill from SMS	ARP, DRI module 9 from Lurgi	Oxygen plant 1200 TPD, Blast furnace II and Coke oven II from Paul wurth, Sinter plant II, BOF from SMS	NIL

**c) & d) Has the technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action**

Not Applicable since no such import during FY 2013 - 14.

**FOREIGN EXCHANGE EARNINGS & OUTGO :**

1)	Activities relating to exports initiatives taken to increase exports, development and services and export plans.	Company's products are recognised in the International market as conforming to stringent international standards.
2)	Total foreign exchange used and earned.	Used ₹ 3032 Crore Earned ₹ 1901 Crore

# ANNEXURE-C

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has set itself the Vision to be an integrated steel player with global presence and reach. As a part of its strategy to achieve global vision, the Company is committed to adopt "the best practices" followed in Corporate Governance Arena.

The Board considers itself as a Trustee of its Shareholders and all other stakeholders and acknowledges its responsibilities towards them for maximize long term value of the Company. The Company recognises that the Board is accountable to all the Stakeholders for good governance. Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The philosophy of the Company in relation to Corporate Governance is based on principles of equity, fairness, transparency in all its operations, make appropriate disclosure and enhance shareholders value without compromising in anyway and in compliance with laws and regulations.

The Company expects to realize its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

### 2. BOARD OF DIRECTORS:

The current policy of the Company is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate its functions of governance and management. As on 31.03.2014 the Board of Director consists of

ten(10) Directors, out of which Six (06) are Non Executive Directors, Five (05) of whom being independent.

The Directors have expertise in the fields of industry, operations, finance, legal and management. The board shapes the vision of the Company and provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities.

Composition and category of Directors are as under :-

Category	Name of Directors.
Promoters/Executive Director	Mr. Neeraj Singal
Promoter Non-Executive Director & Chairman	Mr. B B Singal
Non-Promoter Executive Directors	Mr. Nittin Johari Mr. Rahul Sen Gupta Mr. P.K. Aggarwal
Independent Non-Executive Directors	Mr. Mohan Lal Mr. B.B. Tandon Mr. V.K. Mehrotra Mr. M. V. Suryanarayana
Nominee Director	Smt. Sunita Sharma (Nominee Director LIC)

### THE ATTENDANCE RECORD OF THE DIRECTORS AT THE BOARD MEETINGS HELD DURING FINANCIAL YEAR 2013-14 AND AT THE LAST ANNUAL GENERAL MEETING AS ALSO THE NUMBER OF DIRECTORSHIPS, COMMITTEE MEMBERSHIPS AND COMMITTEE CHAIRMANSHIPS HELD BY THEM IN OTHER COMPANIES ARE GIVEN BELOW:

Sr. No.	Name of Directors	Attendance Particulars			No of directorships, committee membership and chairmanship of Public companies		
		No. of Board Meetings held during their tenure in the F.Y.2013-14	No. of Board Meeting Attended	Attendance at Last AGM.	Other Directorships (*)	Committee membership (*) (#)	Committee Chairmanship (*) (#)
1.	Mr. B.B. Singal	06	06	YES	7	5	4
2.	Mr. Neeraj Singal	06	06	YES	7	3	-
3.	Mr. Mohan Lal	06	03	NO	2	-	-
4.	Mr. B.B. Tandon	06	06	YES	11	10	3
5.	Mr. V.K. Mehrotra	06	05	YES	-	1	-
6.	Mr. M V Suryanarayana	06	06	YES	1	1	-
7.	Smt. Sunita Sharma	06	06	YES	5	2	1
8.	Mr. Nittin Johari	06	06	YES	1	-	-
9.	Mr. Rahul Sen Gupta	06	04	YES	1	-	-
10.	Mr. P.K. Aggarwal	06	06	YES	-	1	-

(\*) Excludes Directorships, Committee memberships and Committee Chairmanships of Private Limited Companies, Foreign Companies and Companies incorporated U/s 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956).

(#) In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only Audit Committee and Shareholders / Investors Grievance Committee have been considered.

### 3. BOARD MEETINGS:

The Board of Directors of the Company meets at regular intervals to discuss regular business matters and decide on Company's strategy, policies and programs. Board Meetings are usually held at Head Office of the Company at New Delhi. During the year six (06) Board Meetings were held on 20/04/2013, 27/05/2013, 14/08/2013, 21/09/2013, 14/11/2013 and 12/02/2014. Maximum time gap between the two consecutive meetings had not exceeded 4 months.

The agenda for Board Meetings and notes are circulated to the Directors in advance and all material information is included in the agenda for facilitating well informed and meaningful deliberation and decision making. The agenda of the meetings of the Board inter alia includes annual operating plans, capital budgets and updates therein.

### 4. AUDIT COMMITTEE :

The Company has an Audit Committee of Directors since 28-06-1997. The Committee consists of Four Directors namely (1) Mr.

B.B. Tandon (2) Mr. B.B. Singal (3) Mr. M.V. Suryanarayana and (4) Mr. V.K. Mehrotra.

Mr. B.B. Tandon is the Chairman of the Audit Committee.

The committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 (erstwhile Section 292A of the Companies Act, 1956) and clause 49 of the Listing Agreement.

As per Section 177 of the Companies Act, 2013 the Audit Committee acts in accordance with the terms of reference specified in writing by the Board which, inter alia, include —

- i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. examination of the financial statement and the auditors' report thereon;
- iv. approval or any subsequent modification of transactions of the company with related parties;
- v. scrutiny of inter-corporate loans and investments;
- vi. valuation of undertakings or assets of the company, wherever it is necessary;
- vii. evaluation of internal financial controls and risk management systems;
- viii. monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee in terms of Clause 49 of the Listing Agreement are detailed hereunder:-

- 1 Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2 Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4 Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

- 5 Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the following information:
  - I. Management discussion and analysis of financial condition and results of operations;
  - II. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - III. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - IV. Internal audit reports relating to internal control weaknesses; and
  - V. The appointment, removal and terms of remuneration of the Chief internal auditor



During the year, the committee has met five(5) times 20/04/2013, 27/05/2013, 14/08/2013, 14/11/2013 and 12/02/2014. Mr. B. B. Tandon, Mr. B.B. Singal, Mr. M.V. Suryanarayana and Mr. V.K. Mehrotra have attended all the meetings of the Audit Committee.

#### 5. NOMINATION AND REMUNERATION COMMITTEE :

Nomenclature of existing Remuneration committee has been changed to Nomination and Remuneration Committee in compliance with Section 178 (1) of the Companies Act, 2013 w.e.f. 30.05.2014.

This Committee comprises of Mr. Mohan Lal, Mr. M.V. Suryanarayana, Mr. V. K. Mehrotra, Mr. B.B. Singal and Smt. Sunita Sharma.

Mr. Mohan Lal (Non Executive director) is the Chairman of the Committee.

During the year one meeting of Remuneration Committee was held on 12.02.2014 which was attended by all the members of the Committee except Mr. Mohan Lal.

#### TERMS OF REFERENCE OF THE COMMITTEE

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
- To carry out evaluation of every director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To formulate remuneration policy and ensure that-
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

#### REMUNERATION POLICY:

The remuneration policy is directed towards rewarding performance based on review of achievement on a periodical basis. The remuneration policy is in consonance with the existing Industrial practice. The remuneration structure of the Executive Directors comprises of salary, perquisites and allowances, contribution to provident fund, leave encashment and gratuity.

#### DETAIL OF REMUNERATION PAID TO DIRECTORS :

(a) Remuneration paid to Executive Directors :

Sr. No.	Name	Designation	Salary including PF contribution (₹)	Other Perquisites (₹)	Total (₹)
1.	Mr. Neeraj Singal	Vice Chairman and Managing Director	1,20,00,000	23,25,280	1,43,25,280
2.	Mr. Nittin Johari	Whole-Time Director	92,00,000	5,16,523	97,16,523
3.	Mr. Rahul Sen Gupta	Whole-Time Director	56,00,000	3,14,600	59,14,600
4.	Mr. P.K. Aggarwal	Whole-Time Director	56,00,000	3,06,652	59,06,652

(b) Sitting fees paid to Non – Executive Directors: The Non-Executive Directors are paid sitting fees for each Meeting of the Board as well as any other committee meetings attended by them.

Sr. No.	Name	Designation	Sitting Fees (₹)	No. of Equity shares held as on 31.03.14
1.	Mr. B.B.Singal	Chairman	7,25,000	45628672
2.	Mr. Mohan Lal	Director	40,000	1100
3.	Mr. B.B. Tandon	Director	2,10,000	-
4.	Mr. V.K. Mehrotra	Director	1,90,000	-
5.	Mr. M.V. Suryanarayana	Director	2,50,000	-
<b>TOTAL :-</b>			<b>14,15,000</b>	

(c) Besides salary and perks Executive Directors are entitled to superannuation or annuity fund, leave encashment and gratuity.

(d) No Commission is paid to any Director.

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The nomenclature of existing Shareholders'/ Investors' Grievance Committee has been changed to Stakeholders Relationship Committee w.e.f. 30.05.2014. This Committee comprises of Mr. B.B. Singal, Mr. Neeraj Singal, and Mr. P.K. Aggarwal, Directors. This Committee has been constituted for considering and resolving the grievances of security holders of the company. Mr. B.B. Singal is the Chairman of the Committee.

The board has designated Mr. O.P. Davra as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were 8. All the complaints were disposed off and there were no complaints pending as on March 31, 2014.

#### 7. COMMITTEE ON BORROWINGS, INVESTMENTS AND LOANS:

The Company has a Committee on Borrowings, Investment and loans. Presently the committee consists of three Directors namely (1) Mr. B. B. Singal, (2) Mr. Neeraj Singal and (3) Mr. Nittin Johari. Mr. B.B. Singal is the Chairman of the Committee.

Thirty (30) Nos. of Meetings of Committee of Board of Directors on Borrowings were held during the year 2013 - 2014 on 15-04-2013, 24-04-2013, 06-05-2013, 17-05-2013, 29-05-2013, 08-06-2013, 15-06-2013, 29-06-2013, 29-07-2013, 07-08-2013, 24-08-2013, 28-08-2013, 06-09-2013, 10-09-2013, 14-09-2013, 21-09-2013, 07-11-2013, 25-11-2013, 06-12-2013, 20-12-2013, 21-12-2013, 26-12-2013, 22-02-2014, 01-03-2014, 04-03-2012, 12-03-2014, 20-03-2014, 26-03-2014, 27-03-2014, 31-03-2014.

**8. GENERAL BODY MEETINGS:**

Location and time for the last three (03) Annual General Meetings (AGMs):

Particulars	F.Y. 2012-13	F.Y. 2011-12	F.Y. 2010-11
Day, date,	Saturday	Monday	Wednesday
Time & Venue	21 <sup>st</sup> Sep. 2013 at 11.00 A.M. at Airforce Auditorium, Subroto Park, New Delhi-110 010	24 <sup>th</sup> Sep. 2012 at 11.00 A.M. at Airforce Auditorium, Subroto Park, New Delhi-110 010	14 <sup>th</sup> Sept 2011 11.00 A.M. at Airforce Auditorium, Subroto Park, New Delhi-110 010
Special Resolutions	One special resolution was passed regarding further issue of securities	N.A.	One special resolution was passed regarding addition of Article 8A to the Articles of Association.

Special Resolutions passed through Postal Ballot

No Resolution was passed through Postal Ballot during the year ended 31<sup>st</sup> March 2014.

**9 DISCLOSURES**

9(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.

- There were no materially significant transactions with related parties which were in conflict with the interests of the Company.

9(b) Detail of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

- None.

9(c) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviour. No person has been denied access to Audit Committee.

**10. MEANS OF COMMUNICATION:**

Timely sharing and disclosure of consistent, comparable, relevant and reliable information on the Company's performance is at the core of its Corporate Governance Policy. Summary of major efforts of the Company in this regard is given below:

**Financial Results**

The Company publishes un-audited quarterly financial results and audited annual financial results normally in "The Economic Times" (English), "Business Standard" (English), "Jansatta", "Nav Bharat

Times" (Hindi), and "Business Standard" (Hindi) Newspapers. The results are promptly furnished to the Stock Exchanges for display on their respective web-sites. The results are also put on the website of the Company i.e. <http://www.bhushansteel.com> immediately after the Board Meetings.

**ANNUAL REPORT**

Annual Report containing inter alia, Audited Annual Accounts, Consolidated Financial Statements Directors' Report, Management Discussion and Analysis and other regulatory reports is circulated to members and others entitled thereto. The management Discussion and Analysis Report forms part of Annual Reports. The Annual Report of previous years are also available on Company's web-site.

**Corporate Presentation**

Corporate Presentation of the Company covering inter alia Company's Overview, Growth History, Key Highlights and Summary Operating & Financial Performance is regularly given to institutional investors and latest Corporate Presentation is available on Company's web-site.

**11. GENERAL SHAREHOLDERS' INFORMATION :**

- (i) Annual General Meeting for the year ending 31<sup>st</sup> March, 2014 – On Saturday, 20<sup>th</sup> September, 2014 at 11.00 A.M at Air Force Auditorium, Subroto Park, New Delhi – 110010.
- (ii) As required under Clause 49(IV) (G) (i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment at the forthcoming Annual General Meeting (AGM) are given in the Notes to the Notice of the AGM to be held on 20<sup>th</sup> September, 2014.

**(iii) Financial Year : 1<sup>st</sup> April To 31<sup>st</sup> March  
Financial Reporting for the Quarter ending :**

30 <sup>th</sup> June, 2014	On or before 14 <sup>th</sup> August, 2014
30 <sup>th</sup> September, 2014	On or before 14 <sup>th</sup> November, 2014
31 <sup>st</sup> December, 2014	On or before 14 <sup>th</sup> February, 2015
31 <sup>st</sup> March, 2015	On or before 30 <sup>th</sup> May, 2015.

- (iv) **Date of Book Closure :**  
The Book closure starts from 17<sup>th</sup> September, 2014 to 20<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual declaration of dividend on equity shares for the year 2013-14 at the 31<sup>st</sup> Annual General Meeting of the Company to be held on 20<sup>th</sup> September, 2014.
- (v) **Dividend payment date :**  
Within 30 days from the date of A.G.M i.e. on or before 19.10.2014.

(vi) **Listing of Shares & Stock Code:**  
The Equity Shares of the Company are listed on the following Stock Exchanges.

- (1) Bombay Stock Exchange Ltd. (Stock Code : 500055)
- (2) National Stock Exchange of India Ltd. (Stock Code : BHUSANSTL)

Annual Listing Fee including fees for the year 2014-15 have been paid on due dates to both the Stock Exchanges i.e. BSE and NSE.

**(vii) Market Price Data :**

The High and Low of the share price of the Company at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) during each month from April, 2013 to March, 2014 are given below.

DATE	NSE		BSE	
	High	Low	High	Low
April, 2013	467.70	451.25	463.35	450.00
May, 2013	473.40	454.10	477.50	451.00
June, 2013	473.10	457.95	471.70	455.00
July, 2013	468.00	450.55	466.90	458.00
August, 2013	477.60	442.00	479.00	445.15
September, 2013	491.85	449.10	492.00	450.00
October, 2013	485.00	410.70	484.00	474.00
November, 2013	504.25	466.00	504.00	478.55
December, 2013	491.70	466.50	491.00	466.00
January, 2014	561.00	450.00	490.00	450.05
February, 2014	470.70	444.45	468.80	446.55
March, 2014	478.00	436.00	462.00	447.00

**(viii) Share price performance in comparison to broad based indices – NSE Nifty and BSE Sensex based on share price on 31-03-2014.**

During financial year 2013-14, share price of the Company was down in NSE by 0.51% and 1.46% in BSE as compared to increase in NSE Nifty by 17.67% and BSE Sensex by 18.50%.

**(ix) Share Transfer System:**

Pursuant to SEBI Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and D&CC/FITTC/CIR-18/2003 dated 12/02/2003, M/s. RCMC Share Registry Pvt. Ltd., which is already the Depository Interface of the Company for both NSDL & CDSL, have been appointed as Registrar and Transfer Agents (RTA) w.e.f. 31/03/2003 for all the work related to share registry in terms of both physical and electronic.

**Share Transfer Committee:**

It approves the transfer and transmission of securities, issuance of duplicate share certificate. This Committee comprises of Mr. P.K. Aggarwal and Mr. O.P. Davra.

**Physical Mode :**

Transfers of Equity shares in physical form are registered within a period of 15 days from the date of receipt. After the transfer, Share Certificates are immediately sent. The Equity shares of the company are to be traded compulsorily in Demat mode w.e.f. 25.09.2000.

**Dematerialised Mode :**

The Company's Equity Share are eligible for dematerialisation. The Company had signed Agreements with both the Depositories namely: NSDL and CDSL. The Shareholders may therefore hold Company's Share in Electronic Mode. The company's ISIN No. for both the Depositories is INE824B01021.

**(x) Distribution of Shareholding as on 31.03.2014**

Distribution Schedule:

Shareholding of value of ₹	Shareholders		Share holdings		
	Number	% to total	Shares	Amount	% to total
UPTO TO 5000	13278	98.14	2253330	4506660.00	0.99
5001 TO 10000	87	0.64	301391	602782.00	0.13
10001 TO 20000	37	0.27	257282	514564.00	0.11
20001 TO 30000	17	0.13	206803	413606.00	0.09
30001 TO 40000	17	0.13	303556	607112.00	0.14
40001 TO 50000	8	0.06	182203	364406.00	0.08
50001 TO 100000	17	0.13	592361	1184722.00	0.27
100001 and Above	68	0.50	222417820	444835640.00	98.19
	<b>13529</b>	<b>100.00</b>	<b>226514746</b>	<b>453029492.00</b>	<b>100.00</b>

**Shareholding Pattern:**

Sr. No.	Category	%age
1	Promoters	71.22
2	Banks, Financial Institutions, Mutual Funds, Insurance Companies	03.95
3	Foreign Institutional Investors, NRI's	01.80
4	Others	23.03

**(xi) Dematerialisation of Shares & Liquidity:**

225643861 equity shares of the Company's paid up equity share capital has been dematerialized upto 31<sup>st</sup> March, 2014. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI).

**(xii) Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**

- Not Applicable

**(xiii) Plant locations:**

- (i) Site-IV, Sahibabad Industrial Area, Sahibabad, Distt. Ghaziabad, U.P.
- (ii) Village – Nifan, Savroli and Dehvali, Taluka-Khalapure, Distt. Raigad, (Near Khopoli), Maharashtra.
- (iii) Meramandali, Distt. Dhenkanal, Orissa.

**(xiv) Transfer of unclaimed amounts to Investor Education and Protection Fund :**

The investors are advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the Company before the due date (as indicated in the Notes to the Notice) before crediting the same by the Company to the Investor Education and Protection Fund.

During the year under review the Company has credited ₹201,275/- to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 in respect of the Unpaid/ unclaimed dividend amount relating to the Final dividend declared in 2005-06.

**12. ADDRESS FOR CORRESPONDENCE :**

**Registered Office :**

Bhushan Steel Limited  
Ground Floor, Hyatt Regency Complex,  
Bhikaji Cama Place,  
New Delhi-110 066.  
Tel. : 011-39194000, 71194000  
Fax : 011-46518611, 26478750  
e-mail-[bsl@bhushansteel.com](mailto:bsl@bhushansteel.com)  
Web site : [www.bhushansteel.com](http://www.bhushansteel.com)

**Registrar and Transfer Agent :**

**RCMC Share Registry Pvt. Ltd.**

(Unit : BHUSHAN STEEL LIMITED)  
B-25/1, First Floor,  
Okhla Industrial Area Phase II,  
New Delhi - 110020.  
Phone : 011 – 26387320, 26387321, 26387323  
Fax : 011 - 26387322  
e-mail : [shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com)

## ANNEXURE-D

# MANAGEMENT DISCUSSION AND ANALYSIS:

### GLOBAL ECONOMY

Global activity has broadly strengthened and is expected to improve further in 2014–15, with much of the impetus coming from advanced economies. Activity in many emerging market economies has disappointed in a less favorable external financial environment, although they continue to contribute more than two-thirds of global growth. Their output growth is expected to be lifted by stronger exports to advanced economies. In this setting, downside risks identified in previous World Economic Outlook reports have diminished somewhat. There are three caveats: emerging market risks have increased, there are risks to activity from lower-than-expected inflation in advanced economies, and geopolitical risks have resurfaced. Overall, the balance of risks, while improved, remains on the downside.

Looking ahead, global growth is projected to strengthen from 3 percent in 2013 to 3.6 percent in 2014 and 3.9 percent in 2015. In advanced economies, growth is expected to increase to about 2¼ percent in 2014–15, an improvement of about 1 percentage point compared with 2013. Growth will be strongest in the United States at about 2¾ percent. Growth is projected to be positive but varied in the euro area: stronger in the core, but weaker in countries with high debt and financial fragmentation. In emerging market and developing economies, growth is projected to pick up gradually from 4.7 percent in 2013 to about 5 percent in 2014 and 5¼ percent in 2015. Growth will be helped by stronger external demand from advanced economies, but tighter financial conditions will dampen domestic demand growth. In China, growth is projected to remain at about 7½ percent in 2014 as the authorities seek to rein in credit and advance reforms while ensuring a gradual transition to a more balanced and sustainable growth path and in India GDP growth is projected to strengthen to 5.4.

*Growth in emerging market economies is projected to pick up only modestly. These economies are adjusting to a more difficult external financial environment in which international investors are more sensitive to policy weakness and vulnerabilities given prospects for better growth and monetary policy normalization in some advanced economies. India may emerge favourably on policy front with a stable central government expected after General Election 2014.*

### INDIAN ECONOMY

After achieving unprecedented growth of over 9 per cent for three successive years between 2005-06 and 2007-08 and recovering swiftly from the global financial crisis of 2008-09, the Indian economy has been going through challenging times that culminated in lower than 5 per cent growth of GDP at factor cost at constant prices for two consecutive years, i.e. 2012-13 and 2013-14. Sub-5 per cent GDP growth for two years in succession was last witnessed a quarter of a century ago in 1986-87 and 1987-88. Persistent uncertainty in the global outlook, caused by the crisis in the Euro area and general slowdown in the global economy, compounded by domestic structural constraints and inflationary pressures, resulted in a protracted slowdown. The slowdown is broadly in sync with trends in other emerging economies, but relatively deeper. India's growth declined from an average of 8.3 per cent per annum during 2004-05 to 2011-12 to an average of 4.6 per cent in 2012-13 and 2013-14. Average growth in the emerging markets and developing economies including China declined from 6.8 per cent to 4.9 per cent in this period (calendar-year basis). What is particularly worrisome is the slowdown in manufacturing growth that averaged 0.2 per cent per annum in 2012-13 and 2013-14.

The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly

high levels was the redeeming feature of 2013-14. The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. The improvements in the twin deficits would, no doubt, feed into a higher growth in 2014-15, but the pace of recovery may be gradual. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond.

In General Election 2014, India, is expected to have stable central government and Indian Economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. However, it will take a while before we start achieving GDP growth of 7% - 8% p.a. and above. As per IMF, real GDP growth is projected to strengthen to 5.4 percent in 2014 and 6.4 percent in 2015 supported by slightly stronger global growth, improving export competitiveness, and implementation of recently approved investment projects (assuming that government efforts to revive investment growth succeed).

### INDUSTRY STRUCTURE & DEVELOPMENTS

The steel industry is divided into primary & secondary sectors. The primary sector products are billets, pallets, rounds and Hot Rolled Coils/Plates (HRC/HRP). These form raw material for the secondary sector, which produces value added items such as Angles, Channels, wire Rods, Cold Rolled Coils/sheets (CRC/CRS) and Galvanised Coils/Sheets. CR Sheet is a thinner sheet used for consumer durables like refrigerators, washing machines, automobiles, bicycles, etc. CR sheets are used by the automobile and domestic appliances industry whereas CR strips are used in manufacturing of bicycles, drums, barrels, fabrication, furniture etc. CR Coils are mainly used for manufacturing GP/GC sheets. Bhushan Steel Limited has efficiently transformed itself from secondary sector steel producer into an integrated steel producer with its integrated steel plant in Orissa and state of art finished steel plants at Sahibabad and Khapoli.

### FLAT PRODUCTS

Derived from slabs, this category includes plates and Hot Rolled Coils/Sheets. While plates are used for applications such as shipbuilding etc.; HR Steel is the most widely used variety of steel, and other downstream flat products such as Cold Rolled (CR) Steel and Galvanised Steel.

### LONG PRODUCTS

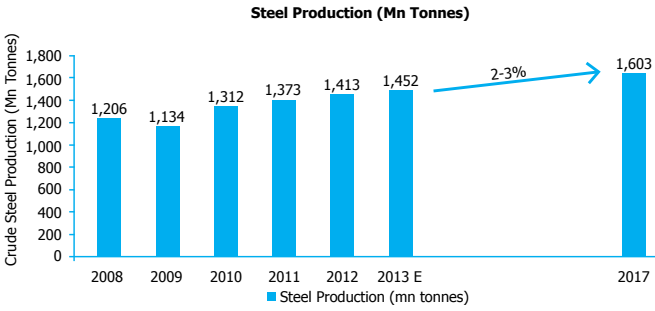
These products derive their name from their shape. They are made by using billets and blooms and include rods, bars, pipes, ropes and wires, which are widely used by the housing & construction sector.

### GLOBAL STEEL INDUSTRY

The global steel industry has grown at a ~3.5 per cent CAGR, since 1950. The growth in global consumption is expected to continue, but at a much lower pace, largely due to the continuing economic crisis in developed countries and the structural shift in the Chinese economy as it shifts focus away from being investment-driven to becoming consumption-driven. The global steel demand is forecast to grow at a CAGR of 2-3 per cent between 2013 and 2018, as against a 5.5 per cent between 2002 and 2012. Steel demand in developed regions, such as the US, Europe and Japan, is forecast to be lower than that in the previous years, whereas relatively stronger economic growth in China, India, Brazil, Russia and South Korea indicate the likelihood of robust steel demand from these regions.

Global steel demand in the recent past has remained subdued owing to the global recessionary trends. Lower industrial production and fall in investment in large infrastructure projects resulted in a marked decline in growth of steel demand from both developed and emerging markets.





The speed and degree of changes in the global economy and the increasingly complex interplay of factors influencing a more globally integrated steel business make horizon watching essential. To succeed, steelmakers must determine how to optimize and create a new product mix and decide whether they are prepared to take the plunge to invest in new geographic markets.

As demand continues to shift to developing nations, the steel sector is directed towards China, with some focus on Brazil, Russia and India. As Africa becomes increasingly urbanized, it may be that the future scramble for African demand could completely shift the landscape in years to come.

There are sign of economic improvement and demand growth in most steel markets:

**Infrastructure and Construction-** Urbanization and a growing middle class continue to be global trends driving steel demand in construction and real estate. Increasing investment in construction and infrastructure led to an 8% Y-O-Y increase in global demand for long products in 2013. The Asian construction market remains the main driver of growth in this steel subsector capturing almost 40% of total construction spending.

**Automotive-** There will be increasing steel demand from the automotive sector in both emerging and developed regions. The US, Brazil, Japan and China are the hotspots in the automotive sector with calculated annual growth of between 5% to 11% forecast to 2016. Despite threats from other materials, steel still accounts for nearly 70% of the materials used in a passenger car so there is ample opportunity for steelmakers to capture market share with value-added products.

**Oil and Gas-** Looking upstream, the oil and gas sector will continue to experience significant capital investment over the next few years, an annual average spend of US\$657b, which should drive demand for premium oil country tubular goods (OCTGs), particularly for use in unconventional projects. In addition, there is substantial investment forecast into other parts of the oil and gas value chain e.g., distribution pipelines and refineries.

**Is 2014 the turning point for steel?**

Success for steelmakers will increasingly depend on being agile and nimble in responding to market opportunities that provide better margins.

The expectation of significant improvement in 2013 did not eventuate as excess capacity continued to weight on the sector and ,with the expectation of China, steel demand did not meet expectations. There were, however, sign of growth with price trends and financial results reflecting stable or improving margins for steel.

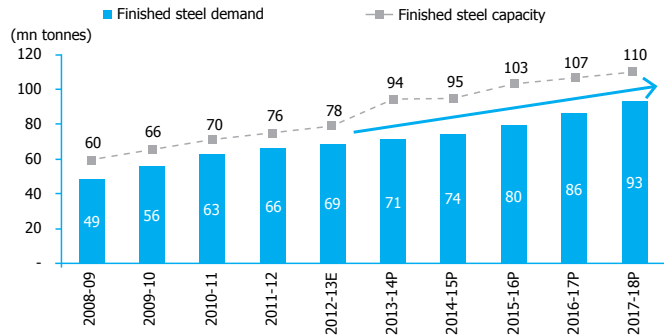
With a slightly stronger outlook for 2014 compared with 2013, and the promise of further progress in 2015 and beyond, the steel sector is focusing ahead to plan and profit from the opportunities and prepare for demands of the future. This change will not be immediate and the centers of demand will vary. Nevertheless, the steel sector is expected to gradually gain momentum as the decade unfolds, with optimism about what lies ahead.

**INDIAN STEEL INDUSTRY**

In January 2013, World Steel Association listed India as the fourth largest steel producing country in the world after China, Japan and the USA. During the last decade, India's steel industry went through a period of steady consumption growth backed by development in sectors like construction, real-estate, automobile etc. Total finished steel consumption

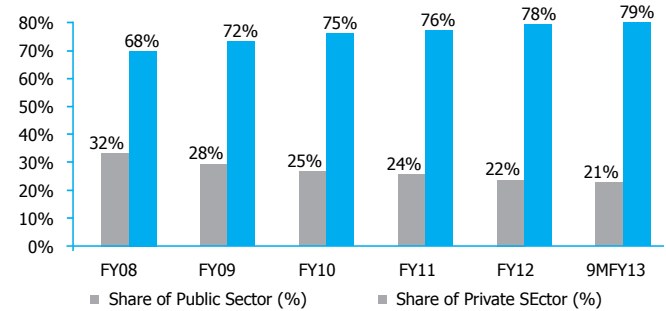
grew at a CAGR of 10.8%. By contrast, FY13's consumption grew by 3.3%, the second lowest growth figure in the past 10 years. Besides steel, India has also become the largest producer of sponge iron in the world. India is also one of the largest producers of pig iron in the world.

**Domestic Steel Demand and Supply**

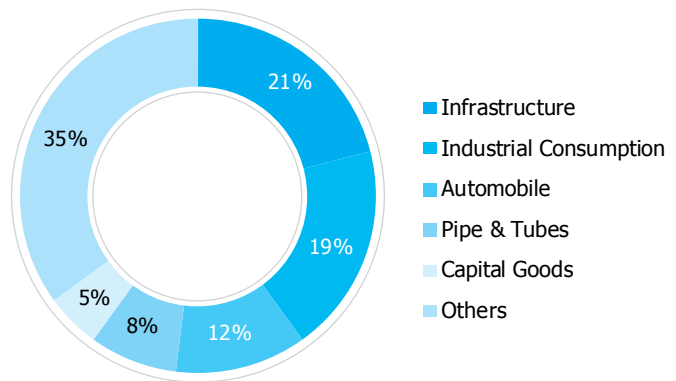


Indian iron and steel industry was de-licensed in 1991. Since then, the industry has grown by leaps and bounds. The annual finished steel production grew fivefold from 14.2MT in 1991 to 69 MT in 2012. Leading this surge were the private sector players like Tata Steel, Jindal South West (JSW) Group, Essar Steel, Jindal Steel and Power (JSPL), Bhushan Steel and others. As of December 2012, the private sector players accounted for 79% of the crude steel production in the country.

**Share of Public and Private sector in crude steel Production**



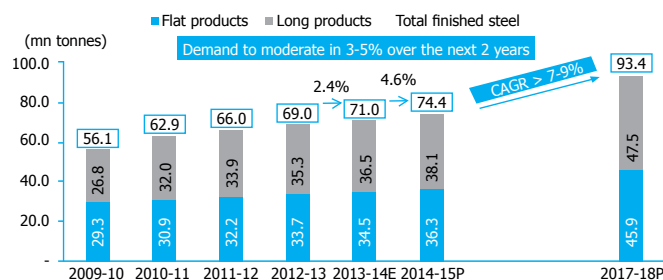
Among end-user sectors, infrastructure and industrial construction continued to account for about 40 per cent of total steel consumption in 2012-13, followed by the automobiles sector (12 per cent) and pipes and tubes industry (8 per cent).



The steel demand in India is expected to pick up from only 2014-15 with an expected pick-up in demand in key end-user sectors such as construction, infrastructure and automobiles. However, growth in demand will be lower vis-a-vis the robust growth rate of the last decade. As per an estimates

domestic steel demand growth at 6-7 per cent CAGR between 2013-14 and 2017-18 as compared with ~9 per cent CAGR over the last decade. This rate of increase will see steel demand in India touching 93-94 million tonnes by 2017-18.

### Demand Outlook for Steel Products in India



### FUTURE OUTLOOK

The increase in demand by key end use sectors like construction, infrastructure and automobiles is expected to result in a rise in steel product demand in the future. The domestic steel demand is expected to post a CAGR of 6-8% between 2012-13 and 2016-17 and is expected to touch 94 million tonnes by 2016-17.

- Infrastructure spending to boost construction activities:** Infrastructure sector is the largest consumer of steel. The investment in this industry accounts for nearly 11% of India's GDP and 50% of its Gross Capital Formation. Further, infrastructure sector accounts for more than 8% of GDP. In the twelfth five-year plan (2012-17), the government has plans for investment of about USD one trillion in infrastructure sector. With infrastructure spend giving a boost to the construction sector, steel demand is expected to grow.
- Per capita steel consumption expected to improve:** India's per capita steel consumption is 59 kg in FY 2012. It ranks among the bottom of all developing nations and compares poorly with world average per capita steel consumption of 217 kg and other developing countries like China (459 kg) and Brazil (123 kg). With huge infrastructure spending committed by the government in the Twelfth Five Year Plan (2012-17) and steel use being promoted increasingly, demand is expected to increase and this should help India improve its per capita steel consumption.
- Flat steel demand to grow on account of increase in demand**

### RISKS AND CONCERNS

A detailed risk analysis for the project is presented in the table below:

Risk Factor	Proposed Mitigation Mechanism
<b>Completion Risk</b>	
Implementation & Stabilization Risk for various ongoing projects	BSL is in the steel manufacturing business for nearly three decades and is amongst the leading producers of CR coils and galvanized sheets in the domestic market. It has demonstrated its implementation capability through successful implementation of its existing operations.  Further, the delays experienced in stabilizing and subsequent ramping up of Phase III Odisha were attributable to external factors (technical snags and then blast during testing). Even other ongoing projects of BSL are estimated to achieve completion in phases during the next 18 months.
Statutory Approvals / Clearances	Company has already complied with the requisite project clearances for plant facilities at Khopoli, Sahibabad and Phase I&II plant of Odisha.  Further, the necessary statutory clearances applicable to the other projects which are under implementation shall be obtained as and when required.

**from automobiles and pipeline industries:** On the back of healthy demand from key end-use industries like automobiles, pipelines and consumer durables, the demand for flat steel is expected to grow. The demand for steel pipes will continue to be driven by the huge network of pipelines planned in the oil and gas sector and government's increasing focus on water and irrigation projects. Further, the automobile industry has registered CAGR of 13.4% in previous five years and is expected to remain robust in future. According to market research, with expected high growth in pipeline and automobile industries, the demand for flat steels product is expected to grow at an annual average of 7-8% over the next 5 years. With this, flat steel consumption in India is expected to reach 45-46 million tonnes and account for over half of the finished steel consumption in India by 2017-18.

- Long steel demand to grow on account of increase in investment in infrastructure and industrial construction: Owing to continued investment in infrastructure and industrial construction, the demand for long steel is likely to show a positive trend. Cumulative investments in infrastructure are expected to record a CAGR of 9 per cent over the 2013-14 to 2017-18 period vis-à-vis the last 5 years. According to market research, demand for long steel products is expected to record a 6-7 per cent CAGR over the next 5 years and is expected to reach 47-48 million tons by 2017-18.

### PERFORMANCE

The company is engaged in Steel business, which is context of Accounting Standard (AS)-17 issued by the institute of Chartered Accountants of India is considered the only business segment. The overall operational performance of the company has been much satisfactory during the year. The plants have operated optimally during the year and there were no major break downs or shutdowns. Brief performance of the Company is as follows:

Particulars	FY 2013-14	FY 2012-13	Variation
Turnover	10600.43	11800.02	(1199.59)
PBDIT	2722.59	3332.30	(609.71)
Interest and Financial Charges	1663.30	1287.44	375.86
Depreciation	963.96	830.86	133.10
Profit Before Tax	95.33	1214.00	(1118.67)

Risk Factor	Proposed Mitigation Mechanism
<b>Operating Risk</b>	
Raw Material Availability	<p>The Company's steel manufacturing capacity at Odisha is located in a region with rich availability of staple raw material i.e. iron ore, coal and also has close proximity to ports for importing raw material. Iron ore is presently being bought by the Company from suppliers located in Barbil, Odisha such as Orissa Mining Corporation, Rungta, Essel Mining etc. Coke is currently imported by the Company from suppliers such as Stemcor UK, CC Carbon Singapore, Mitsubishi Japan and Sinochem China via the Paradeep port. Coking coal is being imported from BHP Billiton, Australia. The Company's import of coke is likely to reduce after the expected commissioning of its Coke Oven-II project during FY15.</p> <p>In addition, to ensure smooth and uninterrupted long term supply of coking coal for the Odisha Project, the Company has also taken a significant stake in Bowen Energy Ltd, Australia, which has the license for exploring coking coal mines in Queensland, Australia. The Company currently procures thermal coal through linkages to Mahanadi Coal Fields and daily e-auctions organized by Coal India Limited and its subsidiaries.</p>
Power Availability	<p>Steel manufacturing process is power intensive and uninterrupted supply is necessary for its viability. BSL has a 110 MW captive power plant in Odisha, 24 MW at Sahibabad and another 24 MW at Khopoli. BSL is in the process of expanding its capacity from 110 MW to 307 MW at Odisha.</p> <p>As of now Company generates around one third of its total power requirement and rest is supplied by Bhushan Energy Limited (BEL), an associate Company. BEL is in the business of electricity generation and has long term PPA contract with the Company. With commencement of Phase III at Odisha and stabilization of other facilities the power requirement of the Company would increase. However, with operation of the 197 MW power plant the expected increase in power generation is estimated to be commensurate with the additional requirement. Company has informed that after the operation of 197 MW power plant, around 60% of the total power requirement is expected to be met from captive sources and 40% will be met through the power supplied by BEL.</p> <p>It may also be noted that Company meets its additional power requirement for the projects under implementation from Grid</p>
Technology Risk	<p>In order to ensure high operational profitability, manufacturing facilities of BSL are updated with latest available technology and major equipments are procured from established and reputed manufacturers like Siemens, SMS Siemag, Paul Wurth, L&amp;T etc. to minimize the performance risk.</p> <p>Further, BSL ensures performance parameters of equipments through liquidated damages clauses in the agreements in order to ensure that any failure/ malfunctioning of the equipment is taken care by the supplier during the performance guarantee period.</p>
<b>Market Risk</b>	
Off-take Risk	<p>With its wide range of value added products, strong customer relationships with OEMs and distribution network, BSL has leveraged its position as one of the major suppliers of flat steel products and also caters to the export market.</p> <p>BSL downstream facilities at Sahibabad and Khopoli are strategically located near to major white good markets i.e. Delhi/NCR and Pune respectively. These are the major hubs where majority of the automobile and consumer durable companies are located.</p> <p>BSL has its plants strategically located at Meramandali and Khopoli which are located near to the major international seaports such as Paradeep and Nhava Sheva JNPT port respectively. The plant at Khopoli, due to its proximity to west coast of India through JawaharLal Nehru Port enables the Company to capture the export market in African / Middle East countries. Similarly, the plant at Meramandali is located close to the East coast of India and enables the Company to capture South-East Asian and Australian markets. This enables BSL to send its product to the international markets with minimal inland transportation which reduces the overall freight charges and shipment time.</p> <p>Also, BSL has been a long term supplier to major renowned white goods manufacturers such as Maruti Suzuki, Tata Motors, Honda Cars, Mahindra &amp; Mahindra, Ashok Leyland are few of the examples amongst Automobile sector. LG, Samsung, Videocon, Haier are the other renowned names in the consumer durable sector.</p>

### INTERNAL CONTROL SYSTEM

Management firmly believes that a strong internal control system with flexibility is imperative to realize Company's vision. Accordingly the company always gives priority to it to achieve the following objectives:-

1. Efficiency of operation
2. Accuracy and promptness of financial reporting
3. Safeguard of Company assets
4. Compliance with laid down policies and procedures.
5. Compliance with rule and regulations.

### HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONSHIP

As on 31 March 2014, the company has 6047 employees in its family beside thousands of employees of its Contractors and suppliers.

Industrial and employee relations with the Company remain cordial throughout the year. It has been with the fulfillment of our market commitments, prompt communication, and participation in social activities and to provide challenging and safe working atmosphere in the company, wherein every employee can develop his own strength and deliver his expertise in the interest of the Company.

Board of Directors on record thanks to all of the employees for their valuable contribution towards the growth of the company. Bhushan Steel encourages its team members to go beyond the scope of their work, undertake voluntary projects that enable to learn and contribute innovative ideas in meeting goals of the company.

## **ANNEXURE- E**

# **DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT**

This is to inform you that the company has adopted Code of Business Conduct and Ethics for its employees including the Managing Director/ whole-time Directors/ Non-executive Directors. The said Code is posted on the Company's website.

I confirm that the Company has in respect of the Financial year ended 31st March, 2014 received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them.

For the purpose of this declaration, Senior Management team means the members of the Management one level below the Managing Director as on 31st March, 2014.

Place: New Delhi  
Date: 30<sup>th</sup> May, 2014

Sd/-  
**Neeraj Singal**  
Managing Director

## **ANNEXURE- F**

# **AUDITORS' REPORT ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by Bhushan Steel Limited, for the year ended 31/03/2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange (s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On the basis of representation received from Registrars and share transfer Agents and as per the records maintained by the Company which are presented to the shareholders / Investor Grievance Committee, we state that during the year ended 31st March, 2014, no investor grievances were pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for **MEHRA GOEL & CO.,**  
CHARTERED ACCOUNTANTS

Sd/-  
**(GEETIKA MEHRA)**  
**PARTNER**  
**M.NO. 510525**

PLACE : New Delhi  
DATED : 12<sup>th</sup> August, 2014

# INDEPENDENT AUDITORS' REPORT

To

**The Members of Bhushan Steel Limited**

## Report on the Financial Statements

We have audited the accompanying financial statements of Bhushan Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **MEHRA GOEL & CO.**  
Chartered Accountants  
Registration No.: 000517N

Sd/-  
**R.K. Mehra**  
Partner  
M. NO.: 6102

Place: New Delhi  
Dated: 30th May, 2014



**ANNEXURE**

(Referred to in paragraph 1 of our report of even date)

- i) In Respect of its Fixed Assets :
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Fixed Assets covering significant value were physically verified during the year by the Management at such intervals which in our opinion, provides for the physical verification of all the Fixed Assets at reasonable interval having regard to the size of the Company and nature of its business. According to the information and explanations given to us by the Management, no material discrepancies have been noticed on such verification.
  - c) No substantial parts of fixed assets have been disposed off during the year.
- ii) In Respect of its Inventory :
  - a) As per information and explanations given to us, the inventory of finished goods, semi-finished goods and raw material at works were, during the year, physically verified by the management. In respect of Stores and Spare Parts and stock at yards in the custody of the third party and stocks in transit were verified with the confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories of the Company followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories, no material discrepancies were noticed on such physical verification.
- iii) In our opinion and according to information and explanations given to us, the company has not taken / granted any loans, secured or unsecured from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, having regard to explanation that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our Audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :-
  - a) The particular of contracts or arrangements referred to Section 301 that needed to be entered in the register maintained under the said Section have been so entered.
  - b) Where each of such transaction is in excess of ₹5 Lacs in respect of any party, the transaction have been made at a price which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi) To the best of our knowledge, the company has not accepted any deposits covered under section 58A and 58AA or any other provisions of the Companies Act, 1956.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and the nature of its business.
- viii) To the best of our knowledge, the Central Government has prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, which have been maintained by the company and these have been broadly reviewed by us and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
- ix) According to the information and explanations given to us, in respect of statutory dues :
  - a) The Company has generally been regular in depositing undisputed dues including Provident Fund, Investors' Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and any other statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Excise Duty, Cess, and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they become payable.

- c) The disputed statutory dues aggregating ₹79131.59 Lacs (net of paid under protest) that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (₹ In Lacs)	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	Apr-May 1998 & Oct. 2000 to Nov. 2000	0.76	High Court of Allahabad
		Aug'05 to Jul'09, Aug'09 to Mar'10, Apr'09 to Jan'10 & Apr'10 to Jan'11	14357.21	CESTAT, Kolkata
		Feb'10 to Nov'11, Apr'10 to Jan'11 & Apr'08 to Mar'11	70.04	Commissioner (Appeal), Bhubaneswar
		F.Y. 2001-2002, Mar'05 to Jan'10, Jul'01 to Mar'06, Apr'06 to Mar'09, 2006-07 to 2009-10, Oct'96 to Sep'00, Oct'00 to Dec'00, May'08 to Mar'09, Mar'05 to Jan'10 & Apr'11 to Nov'11	4060.80	CESTAT, New Delhi
		Apr'11 to Feb'12	2.32	Commissioner (Appeal), Ghaziabad
		Oct'03 to Sep'05, 2001-02 & Feb'07 to Dec'11	1921.00	CESTAT
		Jan'12 to Oct'12	26.66	Commissioner Excise Appeals Zone II
Custom Act, 1962	Custom Duty	30th Jun'2009	198.65	Commissioner of Custom, Vizag
Finance Act, 1994 (Service Tax Provisions)	Service Tax	Dec'05 to Aug'08, Oct'09 to Sep'10	3388.22	CESTAT, Kolkata
		2006-07 to 2007-08 & Mar'11	109.14	Commissioner (Appeal), Bhubaneswar
		2006-07	0.23	CESTAT, New Delhi
		Dec'04 to Nov'07	52.33	CESTAT
Income Tax Act, 1961	Income Tax	2008-09, 2009-10	6115.58	Commissioner of Income Tax
Sales Tax Acts of various states	Local Sales Tax	Apr'05 to Dec'08	550.98	Orissa High Court at Cuttack
		2002-03, 2003-04, 2004-05, Apr'06 to Oct'06 & 2006-07	444.85	High Court of Allahabad
		2005-06, Oct'08 & Sep'08, 2006-07, Jan'13 to Mar'13, Jan'08 to Mar'08, Apr'13 to Nov'13, 2007-08, 2008-09 & 2009-10	9540.19	Additional Commissioner (Appeal)
	Penalty on Trade Tax	1991-92	0.75	Trade Tax Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	2002-03, 2003-04, 2004-05, Apr'06 to Oct'06 & 2006-07	2151.22	High Court of Allahabad
		2005-06, 2006-07, Jan'08 to Mar'08, 2007-08, 2008-09 & 2009-10	7903.58	Additional Commissioner (Appeal)
		Jul'06 to Nov'10	34.77	Additional Commissioner (Appeal)
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	1995-96	7.66	High Court of Allahabad
		2004-05	384.71	Supreme Court
		2006-07 & 2007-08	6798.77	Additional Commissioner (Appeal)
Odisha Entry Tax Act, 1999	Entry Tax	Dec'07 to Mar'12	19087.28	Supreme Court
		Apr'05 to Jan'08	227.80	Additional Commissioner of Sales Tax (Appeal) Cuttack
Orissa Minor Minerals Concession Rules, 2004	Royalty	-	1696.09	Orissa High Court

- x) The Company has no accumulated losses and has not incurred any cash loss during the financial year covered by our Audit and in the immediate preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- xii) On the basis of verification of accounts and records maintained by the Company and to the best of our knowledge and belief, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- xiv) To the best of our knowledge and according to information given to us, the Company is not a dealer or trader in securities. The Company has invested in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts, and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

- xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks / Financial Institutions.
- xvi) To the best of our knowledge and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application.
- xvii) In our opinion and according to the information and explanations given to us and on an overall examination of Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investments.
- xviii) According to the information and explanations given to us, the Company has made preferential allotment of Preference Shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. In our opinion and according to information and explanations given to us, the price, at which Preference Shares have been issued, is not prejudicial to the interest of the Company.
- xix) To the best of our knowledge and according to the information and explanations given to us, the Company has created securities /

charges as on the date of our report, in respect of Secured Debentures issued to the satisfaction of the Trustee of the Debentures.

- xx) The Company has raised money by way of right issue of equity shares during the year. We have verified the end use of monies raised by right issue of equity shares and the same has been disclosed in Note 31(a).
- xxi) Based upon the audit procedure performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **MEHRA GOEL & CO.**  
Chartered Accountants  
Registration No.: 000517N

Sd/-  
**R.K. Mehra**  
Partner  
M. NO.: 6102

Place: New Delhi  
Dated: 30th May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(₹ in Lacs)

	NOTE	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	14902.48	14548.11
Reserves and Surplus	3	900410.38	890261.94
		<b>915312.86</b>	<b>904810.05</b>
<b>Share Application Money Pending Allotment</b>			
		-	-
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	2556610.17	2166421.28
Deferred Tax Liabilities (Net)	5	137519.25	134278.18
Other Long-Term Liabilities	6	216163.10	217945.61
		<b>2910292.52</b>	<b>2518645.07</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	627307.42	523286.39
Trade Payables	8	235087.29	161702.35
Other Current Liabilities	9	413798.61	210118.54
Short-Term Provisions	10	4275.72	7598.43
		<b>1280469.04</b>	<b>902705.71</b>
		<b>5106074.42</b>	<b>4326160.83</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
	11		
Tangible Assets		2187135.65	1814155.23
Intangible Assets		90.40	115.84
Capital Work in Progress		1631826.20	1259531.32
		<b>3819052.25</b>	<b>3073802.39</b>
Non-Current Investments	12	62324.15	40245.54
Long-Term Loans and Advances	13	179393.60	249593.80
Other Non-Current Assets	14	-	2140.14
		<b>241717.75</b>	<b>291979.48</b>
<b>Current Assets</b>			
Current Investments	15	-	2475.00
Inventories	16	648024.92	555967.55
Trade Receivables	17	246444.92	234308.72
Cash & Bank Balances	18	8295.96	15362.56
Short-Term Loans and Advances	19	142442.58	152265.13
Other Current Assets	20	96.04	-
		<b>1045304.42</b>	<b>960378.96</b>
		<b>5106074.42</b>	<b>4326160.83</b>
<b>Significant Accounting Policies</b>			
	1		
<b>Other Notes on Financial Statements</b>			
	29 to 53		

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.: 000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 30th May, 2014

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NIITIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	NOTE	Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>INCOME</b>					
Gross Revenue from Operations	21	1060042.90		1180001.85	
Less: Excise Duty		92459.59	967583.31	105574.88	1074426.97
Other Income	22		2911.20		1733.59
<b>TOTAL REVENUE</b>			<b>970494.51</b>		<b>1076160.56</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	23		518939.33		579864.15
Purchase of Goods Traded	24		3905.20		8118.55
Change in Inventories of Finished Goods , Work In Progress and Stock- in -Trade	25		(2138.02)		(10583.67)
Employee Benefits Expense	26		18852.71		17345.41
Finance Costs	27		166329.59		128744.31
Depreciation and amortization expense			96396.41		83086.19
Other Expenses	28		158675.86		148185.88
<b>Total Expenses</b>			<b>960961.08</b>		<b>954760.82</b>
<b>Profit Before Tax</b>			<b>9533.43</b>		<b>121399.74</b>
<b>Tax Expenses</b>					
-Current Tax			1998.25		24289.36
-MAT Credit Utilised/(Available for Set-off)			(1998.25)		(24175.00)
-Deferred Tax			3241.07		30396.35
-Income Tax Paid for Earlier Years			96.40		30510.71
<b>Profit for the year</b>			<b>6195.96</b>		<b>90889.03</b>
Basic Earning Per Share (₹)			2.23		41.61
Diluted Earning Per Share (₹)			2.23		41.61
Nominal Value of Share (₹)			2.00		2.00
(Refer Note 41)					
<b>Significant Accounting Policies</b>	1				
<b>Other Notes on Financial Statements</b>	29 to 53				

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.: 000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 30th May, 2014

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>9533.43</b>	<b>121399.74</b>
Adjustments for :		
Depreciation & Amortization Expenses	96396.41	83086.19
Provisions (Retirement Benefits)	283.12	434.75
Finance Cost	166329.59	128744.31
Interest/Dividend Income on Investment	(22.58)	(258.80)
Interest Income (others)	(2709.51)	(1151.52)
Profit on Sale of Investment	(37.44)	(77.63)
Loss / (Profit) on Sale of Fixed Assets	48.31	(177.29)
Provision for Doubtful Debts	277.29	70.18
Right Issue Expenses	86.94	83.60
Loss / (Gain) on Exchange Rate Change	13421.78	2245.09
	274073.91	212998.88
<b>Operating Profit Before Working Capital Changes</b>	<b>283607.34</b>	<b>334398.62</b>
Adjustments for :		
Increase(-) / Decrease in Inventories	(92057.37)	(224824.94)
Increase(-) / Decrease in Trade Receivables	(13824.48)	(112307.35)
Increase(-) / Decrease in Loans & Advances	18372.00	(33815.62)
Increase / Decrease(-) in Trade Payables & Other Liabilities	42812.95	37827.28
	(44696.90)	(333120.63)
<b>Cash Flow from Operating Activities</b>	<b>238910.44</b>	<b>1277.99</b>
Direct Tax Paid (Net of Refund)	(7774.34)	(22547.28)
<b>Net Cash (Used) / Flow in / from Operating Activities (A)</b>	<b>231136.10</b>	<b>(21269.29)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(488746.62)	(441704.89)
Sale of Fixed Assets	235.31	237.27
Purchase of Investment	(45968.11)	(42318.86)
Long Term Fixed Deposits	2140.14	(202.60)
Sale of Investments	26401.94	32621.21
Interest Income	2823.19	1459.15
Dividend Income	2.73	0.05
<b>Net Cash Used In Investing Activities (B)</b>	<b>(503111.42)</b>	<b>(449908.67)</b>



(₹ in Lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance Cost	(314298.56)	(269164.95)
Proceeds From Cash Credit from Banks(Net)	191529.73	218177.22
Proceeds From Other Borrowings	382605.41	468000.32
Proceeds From Share / Share Application Money	53814.03	33715.34
Right Issue Expenses	(86.94)	(83.60)
Redemption of Preference Shares Including Premium	(51399.31)	(1389.07)
Capital Subsidy	4390.27	6036.54
Dividend Paid	(1285.13)	(1954.47)
Dividend Tax Paid	(360.78)	(294.84)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>264908.72</b>	<b>453042.49</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(7066.60)</b>	<b>(18135.47)</b>
Opening Balances of Cash and Cash Equivalents	15362.56	33498.03
Closing Balances of Cash and Cash Equivalents	8295.96	15362.56

**Note:-**

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statement'.
- Cash and Cash equivalents include ₹13.46 Lacs (Previous Year ₹29.84 Lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.
- Figures in brackets represent cash out flow.
- Previous Year Figures have been rearranged/regrouped wherever considered necessary.

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.: 000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 30th May, 2014

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

## NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

### 1) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance to the requirements of the Companies Act 1956, applicable Accounting Standards and the requirements of Part-I & II of Schedule-VI (revised).

### 2) BASIS OF PREPARATION

The financial statements have been prepared on historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956 as adopted consistently by the Company, except for defined benefit pension / other funds obligations that have been measured at fair value. The carrying value of certain monetary items denominated in foreign currency is translated at the exchange rates applicable on the date of Balance Sheet.

### 3) USE OF ESTIMATES

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### 4) REVENUE/EXPENDITURE RECOGNITION

Revenue is recognized when it can be reliably measured and when all significant risks and rewards / ownership are transferred to the customer. Sales are inclusive of sales during trial run, excise duty, customs duty. Exports sales are net of ocean freight, insurance and discount.

Dividend is recognized when company's right to receive is established. Interest income is recognized on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations.

### 5) EXTRAORDINARY ITEMS

Extraordinary items are those income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise, and, therefore, are not expected to recur frequently or regularly.

### 6) EXCEPTIONAL ITEMS

Exceptional items are those items of income or expense arising from ordinary activities, or of such size, nature or incidence that requires separate disclosure to explain the performance of the enterprise.

### 7) FIXED ASSETS

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat / cenvat, less accumulated depreciation and include directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. The replacement of such spares is charged to revenue.

Capital expenditure on assets not owned by the company with exclusive right to use is reflected in capital work-in-progress till the period of completion and thereafter in Fixed Assets.

### 8) ASSETS IN THE COURSE OF CONSTRUCTION

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalized where the asset is available

for use but incapable of operating at normal levels until a period of commissioning has been completed.

### 9) INTANGIBLE ASSETS

In accordance with Accounting Standard (AS)-26 relating to intangible assets, all costs incurred on technical know how / license fee relating to production process are charged to revenue in the year of incurrence. Technical know how/license fee relating to process design / plants / facilities are capitalized at the time of capitalization of the said plant/facility and amortized over a period of three years.

### 10) IMPAIRMENT OF ASSETS

Carrying amount of cash generating units / fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The excess of carrying value of the asset over the recoverable amount is charged, as an impairment loss to the Statement of Profit and Loss.

### 11) DEPRECIATION

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except :

- Cold Rolling Plant situated at Sahibabad acquired prior to 1st April, 1996, Galvanizing Plant, Power Plant acquired before 1st April, 2002 including addition or, extension forming integral part of above plants on which depreciation is provided on written down value method.
- Plant situated at Khopoli (Maharashtra) on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

On incremental / decremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation has been provided as aforesaid over the residual life of the respective plants.

Capital expenditure on assets not owned by the company with exclusive right to use is amortized over a period of five years from the year in which the relevant assets have been completed and available for use. In other cases these are amortised in the year in which expenditure is incurred.

Premium on leasehold land is amortized over the period of lease except on leasehold land acquired on lease of ninety years or more. Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing ₹5,000/- or less are depreciated in full in the year of purchase.

### 12) INVENTORIES

Inventories are valued at lower of cost or net realizable value, less any provisions for obsolescence.

Cost is determined on the following basis :-

Raw Material is recorded at cost on a first-in-first-out (FIFO) basis.

Finished goods and work-in-progress are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

By products and scrap are valued at net realizable value.

Excise duty on closing stock of finished goods and scrap is accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

### 13) INVESTMENTS

Investments are classified into Current and Non-current investments. Current investments are stated at lower of cost or market value / fair

value. Non Current investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

**14) FOREIGN EXCHANGE TRANSACTIONS**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currency outstanding at the year end are translated at exchange rate applicable on the date of Balance Sheet. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in cases of long term monetary items, where these relate to the acquisition of depreciable fixed assets, are adjusted to the carrying cost of such assets and in other cases are amortized over the period of such long term monetary item.

**15) BORROWING COST**

Borrowing Cost relating to acquisition or construction of qualifying assets are included in the costs of those assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**16) MODVAT / CENVAT / VAT**

Modvat / Cenvat / Vat claimed on capital goods is credited to Assets / Capital work in progress account. Modvat/Cenvat/VAT on purchase of raw materials and other materials are deducted from the cost of such materials.

**17) CLAIMS**

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

**18) EMPLOYEE BENEFITS**

Short term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost. Long term employee benefits (which are payable after the end of twelve months from end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

Company's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare fund are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

The cost of providing leave encashment and gratuity, defined benefit plans, are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. The leave encashment and gratuity benefit

obligations recognized in the balance sheet represent the present value of the obligations as reduced by the fair value of Plan Assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. Actuarial gains and losses are recognized immediately in the Statement of profit and loss.

**19) TAX EXPENSE**

Provision for current income tax is made after taking credit for allowance and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

Minimum Alternate Tax (MAT) paid in accordance with the Income Tax Act, 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset.

In accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income", the Deferred tax liability for timing differences between the book and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is virtual certainty that the assets can be realized in future.

**20) LEASES**

Assets acquired under finance lease from 01.04.2001 are capitalized at the lower of their fair value or the present value of the minimum lease payments.

**21) DERIVATIVE FINANCIAL INSTRUMENTS**

In respect of the financial derivative contracts the premium / interest paid and profit / loss on settlement is charged to Statement of Profit and Loss. The contracts entered into are marked to market at the year end and the resultant profit / loss is charged to Statement of Profit and Loss except where these relate to long term monetary items attributable to depreciable fixed assets in which case it is adjusted to the cost of fixed assets.

**22) PROVISION AND CONTINGENT LIABILITY**

Show cause notices issued by various government authorities are not considered as obligation. Where the demand notices are raised, the show cause notice, disputed by the company, is classified as possible obligation.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

**23) CONTINGENCIES & COMMITMENTS**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the financial position or profitability.

## NOTES FORMING PART OF THE ACCOUNTS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE -2 SHARE CAPITAL</b>		
<b>Authorised</b>		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹2/- Each	8000.00	8000.00
1,45,00,00,000 (Previous Year 1,45,00,00,000) Preference Shares of ₹100/- Each	14500.00	14500.00
	<b>22500.00</b>	<b>22500.00</b>
<b>Issued</b>		
23,06,05,220 (Previous Year 23,06,05,220) Equity Shares of ₹2/- Each	4612.10	4612.10
82,35,433 (Previous Year 94,05,367) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	8235.43	9405.37
3,36,751 ( Previous Year 3,54,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	336.75	354.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
14,00,000 (Previous Year Nil) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	1400.00	-
	<b>14984.28</b>	<b>14771.47</b>
<b>Subscribed</b>		
22,65,14,746 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4530.29	4247.17
Amount paid up on 784 (Previous Year Nil) Equity Shares forfeited of ₹2/- each	0.01	-
Nil (Previous Year 1,41,57,220) Equity Shares of ₹2/- Each, ₹1/- called up	-	141.57
82,35,433 (Previous Year 94,05,367) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	8235.43	9405.37
3,36,751 (Previous Year 3,54,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	336.75	354.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
14,00,000 (Previous Year Nil) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/-each	1400.00	-
	<b>14902.48</b>	<b>14548.11</b>
<b>Paid Up</b>		
22,65,14,746 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4530.29	4247.17
Amount paid up on 784 (Previous Year Nil) Equity Shares forfeited of ₹2/- each	0.01	-
Nil (Previous Year 1,41,57,220) Equity Shares of ₹2/- Each, ₹1/- Paid up {Refer Note 31(a)}	-	141.57
82,35,433 (Previous Year 94,05,367) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	8235.43	9405.37
3,36,751 ( Previous Year 3,54,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	336.75	354.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
14,00,000 (Previous Year Nil) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/-each	1400.00	-
	<b>14902.48</b>	<b>14548.11</b>

**Detail of Shareholders holding more than 5% shares :**

Name of Shareholders	As at 31.03.2014		As at 31.03.2013	
	No of Shares	% Held	No of Shares	% Held
<b>(A) Equity Shareholders</b>				
1. Shri Brij Bhushan Singal	45628672	20.14%	45628672	20.14%
2. Shri Neeraj Singal	73105933	32.27%	73105933	32.27%
3. Bhushan Infrastructure Pvt. Ltd.	32431540	14.32%	29486540	13.01%
<b>(B) Preference Shareholders</b>				
1. Bhushan Energy Ltd.	-	-	1200000	11.81%
2. Bhushan Finance Pvt. Ltd.	840000	8.10%	840000	8.27%
3. Robust Transportation Pvt. Ltd.	531567	5.12%	531567	5.23%
4. Shri Neeraj Singal	2491133	24.02%	1204400	11.86%
5. Shri Brij Bhushan Singal	920433	8.87%	707100	6.96%

## Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	Amount (₹ in Lacs)	No of Shares	Amount (₹ in Lacs)
<b>(A) Equity Shares</b>				
At the beginning of the year	226515530	4388.74	212358310	4247.17
Add : Shares Issued - Call received	-	141.56	14157220	141.57
Less: Shares forfeited	784	0.01	-	-
At the end of the year	226514746	4530.29	226515530	4388.74
<b>(B) Preference Shares (Non Convertible Cumulative Redeemable Preference Shares)</b>				
<b>10% Preference Shares</b>				
At the beginning of the year	9405367	9405.37	7795267	7795.27
Add : Shares Issued	723400	723.40	1610100	1610.10
Less: Shares Redeemed	1893334	1893.34	-	-
At the end of the year	8235433	8235.43	9405367	9405.37
<b>4% Preference Shares</b>				
At the beginning of the year	354000	354.00	399000	399.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	17249	17.25	45000	45.00
At the end of the year	336751	336.75	354000	354.00
<b>25% Preference Shares</b>				
At the beginning of the year	400000	400.00	400000	400.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	-	-	-	-
At the end of the year	400000	400.00	400000	400.00
<b>2% Preference Shares</b>				
At the beginning of the year	-	-	-	-
Add : Shares Issued	1400000	1400.00	-	-
Less: Shares Redeemed	-	-	-	-
At the end of the year	1400000	1400.00	-	-

The holders of Equity Shares has one vote for each equity share held by them. The registered holders of Equity Shares are entitled to dividend declared from time to time. The Preference Shareholders are entitled to pro-rata dividend in preference over Equity Shareholders. The dividend is cumulative at the rate specified against each category.

The premium on redemption of preference shares to the extent of premium received on issue will be adjusted against the security premium account and any premium paid over the above said amount shall be paid out of current appropriation / General Reserve.

The Preference Shares are not convertible in Equity and for terms of redemption. (Refer Note 31)

	(₹ in Lacs)	
	As at 31.03.2014	As at 31.03.2013
<b>NOTE-3 RESERVES &amp; SURPLUS</b>		
<b>Capital Redemption Reserve:</b>		
At Commencement of the year	-	-
Add: Transfer From Surplus	693.34	-
	<b>693.34</b>	-
<b>Capital Reserve:</b>		
At Commencement of the year	18615.85	12579.31
Add : Addition during the year (Refer Note 43)	4390.27	6036.54
	<b>23006.12</b>	<b>18615.85</b>
<b>Debenture Redemption Reserve :</b>		
At Commencement of the year	41562.50	19350.00
Add : Transfer From Surplus	3200.00	26962.50
	44762.50	46312.50
Less : Transfer To General Reserve	-	4750.00
	<b>44762.50</b>	<b>41562.50</b>
<b>Securities Premium Reserve:</b>		
At Commencement of the year	328557.27	259372.60
Add : On Issue of Shares	51549.07	70264.67
Less : Utilised on Redemption of Preference Shares	49320.66	1080.00
	<b>330785.68</b>	<b>328557.27</b>

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>General Reserve:</b>		
At Commencement of the year	499350.00	434600.00
Add : Transferred From Debenture Redemption Reserve	-	4750.00
Add : Transferred From Surplus	700.00	60000.00
	<b>500050.00</b>	<b>499350.00</b>
<b>Surplus :</b>		
Opening Balance	2176.32	893.09
Add: Net Profit for the Current Year	6195.96	90889.03
	<b>8372.28</b>	<b>91782.12</b>
Less: Appropriations		
Proposed Dividend on Equity shares	1132.57	1132.58
Proposed Dividend on Preference Shares	777.99	11.48
Provision for Dividend Tax	324.70	194.43
Interim Dividend on Preference Shares	224.69	895.47
Dividend Tax on Interim Dividend	38.19	145.27
Transferred to Capital Redemption Reserve	693.34	-
Transferred to Debenture Redemption Reserve	3200.00	26962.50
Transferred to General Reserve	700.00	60000.00
Premium Paid on Redemption of Preference Shares	168.06	264.07
<b>Net Surplus</b>	<b>1112.74</b>	<b>2176.32</b>
	<b>900410.38</b>	<b>890261.94</b>
<b>NOTE-4 LONG-TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Non Convertible Debentures</b>	203000.00	200500.00
(Foot note 1 to 11)		
<b>Term Loan</b>		
1. From Banks		
- Foreign Currency Loans (Foot note 12)	894119.43	773419.81
- Rupee Loans (Foot note 13)	1788814.40	1288008.33
2. From Financial Institutions		
- Rupee Loans (Foot note 14)	5543.10	6000.00
3. Vehicle Loan From Bank (Foot note 15)	-	11.16
<b>Total (A)</b>	<b>2891476.93</b>	<b>2267939.30</b>
<b>UNSECURED</b>		
<b>Term Loan</b>		
Foreign Currency Loans		
- From Indian Banks (Foot note 16)	-	17919.00
- From Foreign Banks (Foot note 17)	322.00	42347.35
- From Others	3308.21	847.11
<b>Total (B)</b>	<b>3630.21</b>	<b>61113.46</b>
<b>Total (A+B)</b>	<b>2895107.14</b>	<b>2329052.76</b>
Less: Current Maturity of Long Term Borrowings	338496.97	162631.48
	<b>2556610.17</b>	<b>2166421.28</b>

**Foot Note:**

- (1) 12.00% Redeemable Non-Convertible 250 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹2500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 250 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹2500 Lacs). Debentures are redeemable at par in one bullet payment at the end of 10th year from the date of allotment i.e 31.08.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company offering minimum Fixed Asset Coverage Ratio of 1.25 times during the tenure of debentures and personal guarantee of Shri B.B.Singal & Shri Neeraj Singal.
- (2) 12.50% Redeemable Non-Convertible 2000 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹20000 Lacs (Previous Year ₹NIL) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 30.08.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (3) 12.00% Redeemable Non-Convertible 100 Debentures of ₹100 Lacs each outstanding on 31st March 2014 ₹10000 Lacs (Previous Year 12.00% Redeemable Non-Convertible Debentures of ₹100 Lacs each outstanding on 31st March 2013 ₹10000 Lacs) (subordinate debt), are redeemable at par in one bullet payment at the end of 10 years and 1 Month from the date of allotment i.e 31.03.2008 and are secured by subsequent and subservient charge by way of hypothecation on the present and future assets of the Company so as to maintain



- minimum asset coverage of 1.25 times, throughout the currency of the Debentures. Debentures are further secured by pledge of Equity Shares of Bhushan Steel Limited, having market value not less than 1.5 times of loans, held by promoters/promoter entities, and Personal Guarantee of Shri B.B.Singal and Shri Neeraj Singal.
- (4) 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹35000 Lacs (Previous Year 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹35000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 04.01.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
  - (5) 12.00% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹10500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹10500 Lacs) are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 28.03.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
  - (6) 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹30000 Lacs (Previous Year 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹30000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 02.02.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
  - (7) 12.00% Redeemable Non-Convertible 4750 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹47500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 4750 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹47500 Lacs). Debentures are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 31.08.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company offering minimum Fixed Assets Coverage Ratio of 1.25 times during the tenure of debentures and personal guarantee of Shri B.B.Singal and Shri Neeraj Singal.
  - (8) 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹30000 Lacs) Debentures are redeemable at par in three equal annual installments commencing from the end of 6th year from the date of allotment i.e 13.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
  - (9) 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹17500 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹17500 Lacs) are redeemable at par in four equal annual installments commencing from the end of 5th year from the date of allotment i.e 26.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
  - (10) 10.20% Redeemable Non-Convertible Nil Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹NIL (Previous Year 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹10000 Lacs) are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 26.03.2007 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
  - (11) 11.50% Redeemable Non-Convertible Nil Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹NIL (Previous Year 11.50% Redeemable Non-Convertible 1500 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹7500 Lacs) were secured by subsequent and subservient charge on the movable fixed assets of the Company.
  - (12) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders), ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹37933 Lacs (Previous Year ₹49658 Lacs) secured by subsequent & subservient charge on movable assets. Out of the above, the ECA Loans of ₹290449 Lacs (Previous Year ₹261124 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors. Out of these, Loans of ₹874937 Lacs (Previous Year ₹758367 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹19182 Lacs (Previous Year ₹15053 Lacs) are guaranteed by the Personal Guarantee of one Promoter Director.
  - (13) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹4700 Lacs (Previous Year ₹36996 Lacs) secured by subsequent & subservient charge on movable assets. Loans of ₹1341416 Lacs (Previous Year ₹786878 lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹447398 Lacs (Previous Year ₹501130 Lacs) are guaranteed by the Personal Guarantee of one Promoter Director. Apart from this, Loans of ₹175662 Lacs (Previous year ₹NIL) are also secured by pledge of 26% shares of Bhushan Steel Limited.
  - (14) Out of these Loans of ₹3750 Lacs (Previous year ₹6000 Lacs) are Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement and guaranteed by the Personal Guarantee of one Promoter Director. Apart from this Loans of ₹1793 Lacs (Previous year ₹NIL) are secured by subsequent & subservient charge on movable assets.
  - (15) Secured by the hypothecation of specific assets.
  - (16) Guaranteed by the Personal Guarantee of one Promoter Director.
  - (17) Out of these Loans of ₹NIL (Previous Year ₹31487 Lacs) are guaranteed by the Personal Guarantee of two Promoter Directors & Loans of ₹NIL (Previous Year ₹10860 Lacs) are guaranteed by the Personal Guarantee of one Promoter Director.

**Detail of Repayment and Rate of Interest**

- (18) Maturity Profile of Long Term Borrowing (Other than NCDs) are set out as below:

(₹ in Lacs)

	<b>1 year</b>	<b>2-3 Years</b>	<b>Beyond 3 years</b>
Term Loans	338497	569500	1784110

- (19) Domestic Loans sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base Rate + 2.00% (presently 12.00% p.a.) and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (20) Foreign Currency Loans for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 0.794% p.a.) repayable in 20 Half Yearly Installments commencing from six Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.

- (21) Domestic Loans sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% (presently 12.50% p.a.) and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (22) Foreign Currency Loans for Phase III of Orissa project was sanctioned at interest rate of EURIBOR+1.50% (Presently 1.944% p.a.) repayable in 20 half yearly installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (23) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% (Presently 4.309% p.a.) repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (24) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of EURIBOR+1.75% (Presently 2.093% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (25) Domestic Loans sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest of Base Rate+2.50% (Presently 12.00% p.a.) and repayable in 24 quarterly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (26) Foreign Currency Loans for Coke Oven 2 of Orissa Project was sanctioned at interest rate of EURIBOR + 4.50% (Presently 4.9562% p.a.) repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (27) Other Foreign Currency Loan for Orissa Project was sanctioned at rate of interest of USD LIBOR+3.50% (Presently 3.9459% p.a. ) repayable in three annual installments commencing from 48 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (28) Domestic Loans sanctioned for CRCA & CRNGO Project of Orissa project was sanctioned at rate of interest of Base Rate+2.25% (Presently 12.25% p.a.) and repayable in 24 quarterly installments commencing from 12 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (29) Domestic Loans sanctioned for Addition, Modification & Replacement Project at Orissa Site was sanctioned at rate of interest of Base Rate+TP+1.25% (Presently 12.00% p.a.) and repayable in 32 quarterly installments commencing from 3 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (30) Domestic Loans sanctioned for shoring up of Net Working Capital / Normal Capital Expenditure was sanctioned at rate of interest of Base Rate+2.50% (Presently 12.50% p.a.) and repayable in 40 quarterly installments commencing from 30th June 2016 as per terms stipulated in respective loan/facility agreement/s.
- (31) Rate of interests of other Term Loans/Foreign Currency Loans are linked with the Base Rate / LIBOR of the respective lenders.

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-5 DEFERRED TAX LIABILITY(NET)</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	138649.34	135175.09
<b>Total (A)</b>	<b>138649.34</b>	<b>135175.09</b>
<b>Deferred Tax Assets</b>		
Provision of Doubtful Debts	442.36	332.29
Others	687.73	564.62
<b>Total (B)</b>	<b>1130.09</b>	<b>896.91</b>
<b>Total (A-B)</b>	<b>137519.25</b>	<b>134278.18</b>
<b>NOTE-6 OTHER LONG-TERM LIABILITIES</b>		
Liability for Capital Goods / Expenditure	214938.65	205913.31
Security Deposit Received from Customers	90.25	10916.25
Others*	1134.20	1116.05
<b>Total</b>	<b>216163.10</b>	<b>217945.61</b>

\* Others include Insurance claim received, security deposit received and amount hold from contractors.

**NOTE-7 SHORT-TERM BORROWINGS****SECURED****Working Capital Loans****From Banks**

## Cash Credit

- Foreign Currency Loans (Foot note 1)

- Rupee Loans (Foot note 1)

**Term Loan**

## From Banks

- Rupee Loans/Commercial Paper (Foot note 2)

- Foreign Currency Loans (Foot note 3)

**Total (A)**

	83660.33	75854.66
	495377.09	311653.03
	34450.00	39999.78
	-	14879.68
<b>Total (A)</b>	<b>613487.42</b>	<b>442387.15</b>

	As at 31.03.2014	As at 31.03.2013
(₹ in Lacs)		
<b>UNSECURED</b>		
<b>From Bank</b>		
<b>Rupee Loan</b>		
- Term Loan / Commercial Paper (Foot note 4)	13820.00	68031.75
<b>Foreign Currency Loans</b>		
- From Indian Banks (Foot note 5)	-	12867.49
<b>Total (B)</b>	<b>13820.00</b>	<b>80899.24</b>
<b>Total (A+B)</b>	<b>627307.42</b>	<b>523286.39</b>

**Foot Note :**

- (1) Working Capital Loans are secured by hypothecation of stock & book debts, second charge on company's land, building and other immovable properties ranking pari passu inter-se and personal guarantee of two promoter directors.
- (2) Including Commercial Papers ₹2500 Lacs (Previous Year ₹Nil) personally guaranteed by two promoter directors. Apart from these other loans are secured by Subsequent and subservient charge on movable assets of the company. Out of these (other than commercial papers) Loans of ₹NIL (Previous Year ₹15000 Lacs) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹31950 Lacs (previous year ₹25000 Lacs) are guaranteed by the personal guarantee of one promoter director.
- (3) Secured by Subsequent and subservient charge on movable assets of the company. Out of these Loans of ₹NIL (Previous Year ₹9990 Lacs) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹NIL (previous year ₹4890 Lacs) are guaranteed by the personal guarantee of one promoter director.
- (4) Including Commercial Papers ₹Nil (Previous Year ₹63000 Lacs) personally guaranteed by two promoter directors. Apart from these Loans of ₹NIL (Previous Year ₹5032 Lacs) were personally guaranteed by one promoter director.
- (5) ₹NIL (Previous Year ₹10860 lacs) guaranteed by the personal guarantee of one promoter director.

**NOTE-8 TRADE PAYABLES**

Micro, Small and Medium Enterprises	483.47	237.49
Others	234603.82	161464.86
	<b>235087.29</b>	<b>161702.35</b>

The detail of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

**Particulars**

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

**NOTE-9 OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debts	338496.97	162631.48
Interest Accrued but not Due on borrowings	48518.55	22458.12
Unclaimed Dividend *	113.46	29.84
Statutory Dues	6635.59	5688.22
Due to Directors	21.25	12.32
Due to Officers	1.90	-
Liability for Capital Goods / Expenditure**	10408.53	12132.10
Other Payables***	9602.36	7166.46
	<b>413798.61</b>	<b>210118.54</b>

\* Do not include any amounts, due and outstanding, to be credited to Investors' Education and Protection Fund.

\*\* Includes ₹17.37 Lacs on account of Micro, Small & Medium Enterprises.

\*\*\* Includes calls received in advance on right issue ₹Nil (Previous Year ₹5.86 Lacs), credit balances of customers, employees etc.

**NOTE-10 SHORT TERM PROVISIONS**

Provision for Employee Benefits	2023.35	1740.23
Proposed Dividend	1910.56	1144.06
Tax on Dividend	341.81	339.70
Provision for Tax (Net)	-	4374.44
	<b>4275.72</b>	<b>7598.43</b>

## NOTE-11 FIXED ASSETS

(₹ in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	Cost as at 01.04.2013	Addition During the Year	Sale/ Dis-carded During the Year	Adjustment During the Year	Cost as at 31.03.2014	As at 01.04.2013	During the Year	Written Back During the Year	Adjustment During the Year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>												
Freehold Land	21498.13	993.78	-	-	22491.91	-	-	-	-	-	22491.91	21498.13
Leasehold Land	17191.83	1690.68	-	-	18882.51	181.87	14.67	-	-	196.54	18685.97	17009.96
Building	492910.42	81427.17	-	30692.87	605030.46	33888.33	13646.54	-	498.80	47036.07	557994.39	459022.09
Railway Siding	50899.25	28337.86	-	12362.93	91600.04	2493.44	2428.31	-	-	4921.75	86678.29	48405.81
Plant & Equipment	1548453.24	214311.26	2124.75	99551.75	1860191.50	284148.94	80665.40	1787.48	447.97	362578.89	1497612.61	1264304.30
Furniture & Fixtures	1798.78	86.38	-	-	1885.16	1023.11	84.40	-	-	1107.51	777.65	775.67
Vehicles	5667.73	216.95	180.83	-	5703.85	3025.01	462.93	138.54	-	3349.40	2354.45	2642.72
Office Equipments	845.32	93.51	0.14	-	938.69	348.77	49.58	0.04	-	398.31	540.38	496.55
<b>Tangible Assets Total (A)</b>	<b>2139264.70</b>	<b>327157.59</b>	<b>2305.72</b>	<b>142607.55</b>	<b>2606724.12</b>	<b>325109.47</b>	<b>97351.83</b>	<b>1926.06</b>	<b>946.77</b>	<b>419588.47</b>	<b>2187135.65</b>	<b>1814155.23</b>
<b>Intangible Assets</b>												
Computer Software	685.73	62.27	-	-	748.00	569.89	87.71	-	-	657.60	90.40	115.84
Assets Not Owned by Company	3756.48	271.37	-	-	4027.85	3756.48	271.37	-	-	4027.85	-	-
<b>Intangible Assets Total (B)</b>	<b>4442.21</b>	<b>333.64</b>	<b>-</b>	<b>-</b>	<b>4775.85</b>	<b>4326.37</b>	<b>359.08</b>	<b>-</b>	<b>-</b>	<b>4685.45</b>	<b>90.40</b>	<b>115.84</b>
<b>TOTAL (A+B)</b>	<b>2143706.91</b>	<b>327491.23</b>	<b>2305.72</b>	<b>142607.55</b>	<b>2611499.97</b>	<b>329435.84</b>	<b>97710.91</b>	<b>1926.06</b>	<b>946.77</b>	<b>424273.92</b>	<b>2187226.05</b>	<b>1814271.07</b>
Previous Year	1820334.32	261973.92	1136.37	62535.04	2143706.91	246944.67	83834.59	1076.39	267.03	329435.84		
Capital Work in Progress [Includes Pre-operative expenses]											1631826.20	1259531.32
<b>GRAND TOTAL</b>											<b>3819052.25</b>	<b>3073802.39</b>

## Notes:

- Certain Building Under Possession of the Company are pending registration in the name of the Company.
- No write off has been done for lease hold land acquired on lease of 90 years and more.
- Depreciation for the year includes ₹1314.50 Lacs (Previous Year ₹748.40 Lacs) charged to Capital Work In Progress.
- Adjustment during the year includes addition of ₹143554.32 Lacs (Previous Year ₹62802.07 Lacs) on account of borrowing cost / exchange fluctuation and deduction of ₹946.77 Lacs (Previous Year ₹267.03 Lacs) on account of depreciation capitalised.

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-12 NON-CURRENT INVESTMENTS</b>		
<b>(Long-Term, Fully Paid Up)</b>		
<b>In Equity Shares</b>		
<b>Non Trade, Quoted</b>		
<b>Tata Steel Ltd.</b>		
13,500 (Previous Year 13,500) Equity Shares of ₹10/- each	58.08	58.08
	<b>58.08</b>	<b>58.08</b>
<b>UNQUOTED</b>		
<b>Bhushan Buildwell Pvt. Ltd.</b>		
4,900 ( Previous Year 4,900) Equity Shares of ₹10/- each	0.49	0.49
<b>Saraswat Co-operative Bank Ltd.</b>		
2,500 (Previous Year 2,500) Equity Shares of ₹10/- each	0.25	0.25
	<b>0.74</b>	<b>0.74</b>
<b>Trade, Unquoted</b>		
<b>In Associates</b>		
<b>Bhushan Energy Ltd.</b>		
6,50,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹10/- each	35000.00	10500.00
<b>Angul Sukinda Railway Ltd.</b>		
8,40,00,000 (Previous Year 8,40,00,000) Equity Shares of ₹10/- Each Paid up @ ₹1.19 each	1000.00	1000.00
<b>Jawahar Credit &amp; Holdings Private Limited *</b>		
86,43,742 (Previous Year Nil) Equity Shares of ₹10/- each	940.31	-
<b>Bhushan Capital &amp; Credit Services Private Limited *</b>		
86,43,742 (Previous Year Nil) Equity Shares of ₹10/- each	940.31	-

(₹ in Lacs)

	As at 31.03.2014		As at 31.03.2013	
<b>In Joint Ventures</b>				
<b>Andal East Coal Company Pvt. Ltd.</b>				
3,30,000(Previous Year 3,30,000) Equity Shares of ₹10/- each		145.50		145.50
<b>In Subsidiaries</b>				
<b>Bhushan Steel (Australia) Pty Ltd.</b>				
4,69,69,796 (Previous Year 4,20,69,796 ) Ordinary Shares of One AUD Per Share		24219.21		21490.60
<b>Jawahar Credit &amp; Holdings Private Limited **</b>				
Nil (Previous Year 86,43,742) Equity Shares of ₹10/- each		-		940.31
<b>Bhushan Capital &amp; Credit Services Private Limited **</b>				
Nil (Previous Year 86,43,742) Equity Shares of ₹10/- each		-		940.31
<b>Bhushan Steel Madhya Bharat Limited</b>				
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each		5.00		5.00
<b>Bhushan Steel (Orissa) Limited</b>				
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each		5.00		5.00
<b>Bhushan Steel Bengal Limited**</b>				
Nil (Previous Year 50,000) Equity Shares of ₹10/- each		-		5.00
<b>Bhushan Steel (South) Limited</b>				
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each		5.00		5.00
<b>In Others</b>				
<b>Bhushan Steel Bengal Limited</b>				
50,000 (Previous Year Nil) Equity Shares of ₹10/- each		5.00		-
		<b>62265.33</b>		<b>35036.72</b>
<b>In Preference Shares</b>				
<b>Trade, Unquoted</b>				
<b>In Subsidiaries</b>				
<b>Bhushan Steel Bengal Limited**</b>				
Nil (Previous Year 8,60,000) 10% Non Cumulative Redeemable Preference Shares of ₹10/ each		-		2150.00
<b>Bhushan Steel (South) Limited**</b>				
Nil (Previous Year 10,00,000) 10% Non Cumulative Redeemable Preference Shares of ₹10/ each		-		3000.00
		-	62324.15	<b>5150.00</b>
				40245.54
			<b>62324.15</b>	<b>40245.54</b>
* Became Associates on 30.09.2013				
** Subsidiaries Upto 29.09.2013				
<b>Aggregate Value of</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Quoted Investments	58.08	53.17	58.08	42.16
Unquoted Investments	62266.07	-	40187.46	-

**NOTE-13 LONG-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Capital Advances	83665.98	156579.17
Security Deposits	10633.22	10357.34
Advances for Non Current Investment to Related Parties	495.50	1127.00
Loans to Employees	216.41	294.89
MAT Recoverable	80605.55	78607.30
Advance Tax (Net)	1630.63	-
Excise Duty Recoverable / Service Tax Recoverable	2118.46	2421.28
Other Advances*	27.85	206.82
	<b>179393.60</b>	<b>249593.80</b>

\*Other Advances Include Advance Recoverable from Sales Tax Department etc.

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-14 OTHER NON CURRENT ASSETS</b>		
<b>Cash and Bank Balances</b>		
Non Current Fixed Deposits (Refer Note 18)	-	2140.14
	-	<b>2140.14</b>
<b>NOTE-15 CURRENT INVESTMENTS</b>		
<b>UNQUOTED, Fully Paid - up</b>		
<b>Indusind Bank Limited</b>		
Nil (Previous Year 250) Redeemable Non Convertible Bonds of ₹10,00,000/- each	-	2475.00
	-	<b>2475.00</b>
<b>NOTE-16 INVENTORIES</b>		
(At Lower of Cost And Net Realisable Value)		
Raw Material	61984.68	87498.06
Raw Material In Transit	382347.72	295643.24
Finished Goods	46088.27	64948.09
Finished Goods In Transit	6563.48	7229.69
Work-in-Progress	67612.35	59569.30
Work-in-Progress In Transit	14016.52	-
Stores	65471.09	36742.84
Others	3940.81	4336.33
	<b>648024.92</b>	<b>555967.55</b>
<b>NOTE-17 TRADE RECEIVABLES</b>		
(Unsecured)		
More than Six Months		
- Considered Good	2842.19	1816.21
- Considered Doubtful	1301.44	1024.15
	4143.63	2840.36
Less: Provision	1301.44	1024.15
	2842.19	1816.21
Others - Considered Good	243602.73	232492.51
	<b>246444.92</b>	<b>234308.72</b>
<b>NOTE-18 CASH AND BANK BALANCES</b>		
<b>(A) Cash and Cash Equivalants</b>		
Balances with Banks		
- In Current Account	4736.60	11498.24
- In Unpaid Dividend Account	13.46	29.84
Fixed Deposits having maturity period within 3 months *	500.00	953.74
Cash on Hand	86.96	81.01
<b>(B) Others</b>		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	2274.59	2140.14
- 3 to 12 Months *	684.35	2799.73
	8295.96	17502.70
Less : Non Current Fixed Deposit	-	2140.14
	<b>8295.96</b>	<b>15362.56</b>
*(Including interest accrued but not due)		
*{Including ₹2958.94 Lacs (Previous Year ₹3809.80 Lacs) under bank lien}		
<b>NOTE-19 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Security Deposits	112.48	194.63
Loans to Employees	709.40	751.76
Balance with Excise Department	47.34	1237.68
Excise Duty / Service Tax Recoverable	34993.42	42452.46
Inter Corporate Deposit (Including Interest Accrued)	4371.59	3143.00
Other Advances *	102208.35	104485.60
	<b>142442.58</b>	<b>152265.13</b>
* Other Advances Include Amount Recoverable from Sales Tax Department, advance to suppliers etc.		
<b>NOTE-20 OTHER CURRENT ASSETS</b>		
Fixed Assets held for Disposal	96.04	-
	<b>96.04</b>	-



(₹ in Lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>NOTE-21 REVENUE FROM OPERATION</b>		
<b>Sales of Products</b>	1017242.36	1133634.45
<b>Other operating Revenues</b>		
Other Sale	34846.19	38521.53
Export Incentives	7954.35	7845.87
	<b>1060042.90</b>	<b>1180001.85</b>
<b>PARTICULARS OF SALE OF PRODUCTS</b>		
Hot Rolled Steel Strips / Sheets / Coils	167745.37	303998.85
Cold Rolled Steel Strips / Sheets / Coils	285409.88	267005.10
Cold Rolled Galvanised Steel Strips / Sheets / Coils	277419.58	261071.39
Colour Coated Galvanised Steel Strips / Sheets / Coils	115449.99	108842.68
Precession Tubes	91148.73	94441.39
Large Dia Pipe	17352.16	8521.98
Hardening & Tempring Cold Rolled Steel Strips	13989.05	11944.22
High Tensile Steel Strapings	6526.09	6736.75
Billets	41807.86	70682.07
Formed Section	393.65	390.02
Others	34846.19	38521.53
Export Incentives	7954.35	7845.87
	<b>1060042.90</b>	<b>1180001.85</b>
<b>NOTE-22 OTHER INCOME</b>		
Interest Earned*		
-From Short-Term Investments	19.85	258.75
-From Bank on FDRs	465.03	457.24
-From Others	2244.48	694.28
Dividend:		
-From Long Term, Non Trade Investments	2.73	0.05
Net gain on Sale of Investments		
-From Long-Term Investments	-	19.39
-From Current Investments	37.44	58.24
Profit on Sale of Fixed Assets (Net)	-	177.29
Miscellaneous Income (Refer Note 42)**	141.67	68.35
	2911.20	1733.59
* Including Income Tax Deducted at Source ₹325.38 Lacs (Previous Year ₹185.12 Lacs) and Excluding interest earned of ₹419.21 Lacs (Previous Year ₹234.00 Lacs) transferred to Projects.		
** Including Income Tax Deducted at source ₹0.91 Lacs (Previous Year ₹0.20 Lacs).		
<b>NOTE-23 COST OF RAW MATERIAL CONSUMED</b>		
<b>Cost of Raw Material Consumed</b>	522933.51	584619.48
Less : Cost of Raw Material Transferred to Project / Internal Use	3994.18	4755.33
	<b>518939.33</b>	<b>579864.15</b>
<b>PARTICULARS OF MATERIALS CONSUMED</b>		
HR / CR / Steel Scrap	268548.98	337751.66
Iron Ore / Sponge Iron	79731.52	89952.63
Coal	103544.87	84480.31
Dolomite / Lime	8289.97	7815.89
Zinc and Alloys	51313.51	54237.22
Paints	11504.66	10381.77
	<b>522933.51</b>	<b>584619.48</b>

(₹ in Lacs)

	Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>NOTE-24 PURCHASE OF GOODS TRADED</b>				
Purchase of Goods Traded		3905.20		8118.55
		<b>3905.20</b>		<b>8118.55</b>
<b>NOTE-25 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
<b>Inventories (at Close)</b>				
Finished Goods		52651.75		72177.78
Work-in-Progress		81628.87		59569.30
Others		3940.81		4336.33
		<b>138221.43</b>		<b>136083.41</b>
<b>Inventories (at Beginning)</b>				
Finished Goods		72177.78		65468.50
Work-in-Progress		59569.30		58917.65
Others		4336.33		1113.59
		<b>136083.41</b>		<b>125499.74</b>
		<b>(2138.02)</b>		<b>(10583.67)</b>
<b>DETAIL OF FINISHED GOODS</b>				
	<b>Closing Stock</b>	<b>Opening Stock</b>	<b>Closing Stock</b>	<b>Opening Stock</b>
Hot Rolled Steel Strips / Sheets / Coils	5870.94	7737.58	7737.58	11263.26
Cold Rolled Steel Strips / Sheets / Coils	12432.44	16093.01	16093.01	10281.15
Cold Rolled Galvanised Steel Strips / Sheets / Coils	15573.15	22517.79	22517.79	16032.69
Colour Coated Galvanised Steel Strips / Sheets / Coils	6940.74	6552.76	6552.76	4715.87
Precision Tubes	5936.71	7592.15	7592.15	6283.77
Large Dia Pipe	2961.80	3518.92	3518.92	3556.64
Hardened & Tempered Cold Rolled Steel Strips	1277.54	898.45	898.45	803.28
High Tensile Steel Strapings	356.74	180.43	180.43	264.10
Billets	1289.42	7080.70	7080.70	12255.58
Formed Sections	12.27	5.99	5.99	12.16
	<b>52651.75</b>	<b>72177.78</b>	<b>72177.78</b>	<b>65468.50</b>
<b>NOTE - 26 EMPLOYEE BENEFITS EXPENSE</b>				
Salary,Wages & Bonus		28259.89		26608.68
Contribution to P.F. and Other Funds		440.05		539.97
Staff Benefits		395.03		411.48
		<b>29094.97</b>		<b>27560.13</b>
Less : Expenses Transferred to Project Under Commissioning / Pre - Operative Expenses		10242.26		10214.72
		<b>18852.71</b>		<b>17345.41</b>
<b>NOTE-27 FINANCE COSTS</b>				
Interest Expenses		308790.88		243469.45
Interest Paid on Income Tax		755.01		-
Other Financial Cost		22499.97		13631.83
Applicable loss on foreign currency transactions and translation		8313.13		17772.22
		<b>340358.99</b>		<b>274873.50</b>
Less: Borrowing cost transferred to Project Under Commissioning / Trial Run Expenses		174029.40		146129.19
		<b>166329.59</b>		<b>128744.31</b>

	(₹ in Lacs)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>NOTE-28 OTHER EXPENSES</b>		
Stores Consumed	27060.75	26385.17
Packing Material Consumed	4380.83	4288.23
Power & Fuel	90298.54	85484.07
Repairs & Maintenance		
- Plant & Machinery	2918.65	2126.54
- Buildings	197.71	179.93
Exchange Fluctuation (Net)	3022.04	1018.10
Excise Duty #	(1739.71)	872.40
Rates & Taxes	3644.04	2206.92
Administrative Expenses	43626.18	47353.36
Legal & Professional Expenses	917.29	851.44
Rent	628.77	772.48
Insurance	2468.11	1514.99
Auditors' Remuneration	160.25	149.25
Selling & Distribution Expenses	25827.30	27023.41
Commission to Selling Agents	675.03	858.38
Loss on Sale of Fixed Assets (Net)	48.31	-
Bad Debts Written off	91.62	-
Provision for Doubtful Debts	277.29	70.18
	<b>204503.00</b>	<b>201154.85</b>
Less: Expenses Transferred to Project under Commissioning, Pre-operative Expenses / Trial Run Expenses (Net)	45827.14	52968.97
	<b>158675.86</b>	<b>148185.88</b>

# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock of finished goods.

	(₹ in Lacs)	
	Current Year	Previous Year
<b>NOTE - 29</b>		
<b>1. Contingent Liabilities in respect of :</b>		
a) Sales Tax	20626.34	3629.42
b) Excise Duty/Custom/Service Tax	33524.86	26114.04
c) Entry Tax	26506.22	17285.93
d) Income Tax	6115.58	40.90
e) Bills Discounted	14413.38	18225.71
f) Others	4956.54	2917.44

**2. Capital Commitment**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹188494.42 Lacs (Previous Year ₹308977.52 Lacs) (Net of Advances).

**3. Other Commitment**

- a) Outstanding guarantees issued by the banks ₹374156.06 Lacs (Previous Year ₹69200.64 Lacs) counter guaranteed by the company including letter of credits issued.
- b) The Company from time to time provides need based support to its subsidiary Bowen Energy PTY Limited (Australia) towards capital and other requirements.
- c) Commitment for partly paid equity shares of Angul Sukinda Railway Limited, an associate company ₹7400.00 Lacs (Previous Year ₹7400.00 Lacs).

**NOTE – 30**

There is no present obligation arising from past events requiring provision in accordance with the guiding principle as enunciated in Accounting Standard (AS)- 29, as it is not probable that an outflow of resources embodying economic benefit will be required.

**NOTE – 31**

- a) In terms of letter of offer dated January 9, 2013 the company had during the financial year 2012-13 allotted 14157220 Equity shares of ₹2/- each at a premium of ₹333/- per share which were partly paid-up to the extent of ₹167.50 (comprising ₹1/- per Equity Share towards share capital and ₹166.50 per Equity Share as share premium) on Right basis in the ratio of 1 share for every 15 shares held by the shareholders.

The Company has during the year received ₹167.50 per Equity Share (comprising ₹1/- per Equity Share towards share capital and ₹166.50 per Equity Share as share premium) on account of first and final call money on 14156436 Equity Shares and 784 Equity Shares have been forfeited for non payment of First & Final Call Money. The new allotted shares rank pari passu in all respect with the existing Equity shares of the Company. The proceeds from Right Issue have been utilized for repayment of indebtedness and General Corporate purpose as per the object of the Right Issue.

- b) 10% 723400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on the expiry of ten years from the date of allotment.
- c) 10% 1276700 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2012-13 on private placement basis against the share application money received during the financial year 2011-12 amounting to ₹38301.00 Lacs. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 1st March, 2013.
- d) 10% 333400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2012-13 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 25th March, 2013.

- e) 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2011-12 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal instalments at the end of 3rd and 4th year i.e. on 4th March, 2015 and 4th March, 2016 respectively.
- f) 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012.
- g) 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/- before the expiry of ten years from the date of allotment i.e. 30th March, 2012. During the Year 1200000 Preference Shares have been redeemed at a premium of ₹2400/- per share.
- h) 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-11 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 1500300 shares. During the Year 560067 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- i) 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 1334800 and 2333500 shares respectively. During the Year 133267 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- j) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The preference shares are redeemable at a price that shall give aggregate yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e. 28th March, 2011 in such trenches as stipulated in the subscription agreement .
- k) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The Preference Shares shall be redeemed at an amount in INR, such that the subscribers get yield of 14% per annum on the amount outstanding within 36 Months from the date of allotment, i.e. 29th March, 2011 in such trenches as stipulated in the subscription agreement. The same has been further extended for three months i.e. upto 29th June, 2014. During the year 17249 (Previous Year 45000) Preference Shares have been redeemed at a premium of ₹3374.34 (Previous Year ₹2986.825) per share.
- l) 2% 1400000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹600/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹500/- per share on the expiry of ten years from the date of allotment.

**NOTE – 32**

The Company has made investment of ₹1000.00 Lacs in Equity Shares of Angul Sukinda Railway Limited for the construction of Rail line between Talcher Road in Angul District to Bhaguapal in Jajpur along with other parties. As the project has not made any headway the Company refused to pay the call money of ₹1540.00 Lacs plus interest. Angul Sukinda Railway Limited has issued final call notice for payment of unpaid call money failing which the shares are liable to be forfeited. The Company has disputed the call money which in its opinion is premature, illegal and arbitrary and has advised to withdraw said notice. Hence, no effect of the same has been

taken into books of account. The company however proposes to go for arbitration and hopes to recover back the amount, hence no impairment in the value of shares has been considered.

**NOTE – 33**

- a) The Company has during the year commissioned Narrow Cold Rolling Mill, Mill two of API Plant, 32 MW Power Plant and other ancillary equipments and discarded the Wire Rod Mill.
- b) On November 13, 2013 an explosion occurred in the slag pit during trial run of the 2nd Blast Furnace in the plant situated at Meramandali, Orissa. Due to which the operation of the Blast Furnace remain suspended resulting in loss of production and consequential loss to the Company. The Blast Furnace, Sinter Plant, Oxygen Plant, Caster, Basic Oxygen Furnace and other ancillary equipments has been put to use on 5th May, 2014.

**NOTE – 34**

Auditors' Remuneration includes :

Particulars	₹ in Lacs	
	Current Year	Previous Year
Audit Fees	110.00	95.00
Tax Audit Fees	20.50	18.00
Certification Fees	15.00	12.00
Other Services	14.75	24.25
	<b>160.25</b>	<b>149.25</b>

**NOTE – 35**

**As per Accounting Standard (AS)-18, the disclosure of transaction with related parties as defined in the Accounting Standard are given below :**

**(I) List of related parties where control exists and related parties with whom transactions have taken place and relationships:****a) Subsidiary companies**

- Bhushan Steel (Orissa) Ltd.
- Bhushan Steel Madhya Bharat Ltd.
- Bhushan Steel (South) Ltd.
- Bhushan Steel Bengal Ltd. (upto 29.09.2013)
- Parakeet Finvest Pvt. Ltd. (upto 29.09.2013)
- Marsh Capital Services Pvt. Ltd. (upto 29.09.2013)
- Paragon Securities Pvt. Ltd. (upto 29.09.2013)
- Perpetual Securities Pvt. Ltd. (upto 29.09.2013)
- Jawahar Credit & Holdings Pvt. Ltd. (upto 29.09.2013)
- Bhushan Capital & Credit Services Pvt. Ltd. (upto 29.09.2013)
- Bhushan Steel (Australia) PTY Ltd.
  - Bowen Energy PTY Ltd., Australia
  - Kondor Holdings PTY Ltd.
  - Bowen Coal PTY Ltd.
  - Bowen Consolidated PTY Ltd.
  - Golden Country Resources (Australia) PTY Ltd.

**b) Joint Venture**

- Andal East Coal Company Pvt. Ltd.

**c) Associates**

- Angul Sukinda Railway Ltd.
- Bhushan Energy Ltd.
- Bhushan Capital & Credit Services Pvt. Ltd. (from 30.09.2013)
- Jawahar Credit & Holdings Pvt. Ltd. (from 30.09.2013)

**d) Key Management Personnel**

Shri Neeraj Singal (Vice Chairman & Managing Director)  
 Shri Nittin Johari (Whole time Director)  
 Shri P.K. Aggarwal (Whole time Director)  
 Shri Rahul Sengupta (Whole time Director)

**e) Relatives of Key Management Personnel**

Shri B.B. Singal (Chairman & Father of Vice Chairman & Managing Director)  
 Smt. Ritu Singal (Wife of Vice Chairman & Managing Director)  
 Brij Bhushan Singal (HUF)

**f) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**

Arshiya International Ltd.  
 Bhushan Aviation Ltd.  
 Bhushan Infrastructure Pvt. Ltd.

**(II) Transactions Carried out with related parties referred in (I) above, in ordinary course of business:**

(₹ in Lacs)

PARTICULARS		Subsidiary Companies	Joint Venture	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration and Perks	Current Year	-	-	-	358.63	42.96	-	401.59
	Previous Year	-	-	-	327.85	36.07	-	363.92
Directors Sitting Fees	Current Year	-	-	-	-	7.25	-	7.25
	Previous Year	-	-	-	-	7.65	-	7.65
Investments in Share Capital/Share Application Money	Current Year	2088.10	46.50	24500.00	-	-	-	26634.60
	Previous Year	9496.86	37.00	-	-	-	-	9533.86
Redemption of preference shares under investment	Current Year	5150.00	-	-	-	-	-	5150.00
	Previous Year	-	-	-	-	-	-	-
Allotment of Shares / Share Application Money Pending Allotment	Current Year	-	-	-	28823.47	20754.21	3086.87	52664.55
	Previous Year	-	-	-	11921.47	7554.21	3086.87	22562.55
Redemption of Preference Share Capital	Current Year	-	-	30000.00	11900.01	6800.01	2100.00	50800.02
	Previous Year	-	-	-	-	-	-	-
Purchase of Goods/ Services	Current Year	-	-	35149.73	-	-	5040.12	40189.85
	Previous Year	-	-	62308.32	-	-	9961.60	72269.92
Sales of Goods/ Services	Current Year	-	-	2650.28	-	-	-	2650.28
	Previous Year	-	-	9859.45	-	-	-	9859.45
Rent Received	Current Year	-	-	-	-	-	0.70	0.70
	Previous Year	-	-	-	-	-	1.20	1.20
<b>OUTSTANDINGS</b>								
Receivable	Current Year	-	-	-	-	-	150.77	150.77
	Previous Year	-	-	-	-	-	67.51	67.51
Payable	Current Year	-	-	3085.71	21.25	-	-	3106.96
	Previous Year	-	-	2238.30	12.32	-	161.29	2411.91
Share Application Money Pending Allotment	Current Year	-	495.50	-	-	-	-	495.50
	Previous Year	678.00	449.00	-	-	-	-	1127.00

**Disclosure in Respect of Material Related Party Transactions during the year :**

1. Remuneration & Perks include payment to Shri Neeraj Singal ₹143.25 Lacs (Pre. Year ₹140.56 Lacs), Shri P.K.Aggarwal ₹59.07 Lacs (Pre. Year ₹50.49 Lacs), Shri Nittin Johari ₹97.16 Lacs (Pre. Year ₹86.40 Lacs), Shri Rahul Sengupta ₹59.15 Lacs (Pre. Year ₹50.40 Lacs) and Smt. Ritu Singal ₹42.96 Lacs (Pre. Year ₹36.07 Lacs).
2. Directors sitting fees is paid to Shri B.B.Singal ₹7.25 Lacs (Pre. Year ₹7.65 Lacs).
3. Investment in Share Capital/ Share Application Money include Bhushan Steel (Australia) PTY Ltd. ₹2088.10 Lacs (Pre. Year ₹9496.86 Lacs), Andar East Coal Company Pvt. Ltd. ₹46.50 Lacs (Pre. Year ₹37.00 Lacs ) and Bhushan Energy Ltd. ₹24500.00 Lacs (Pre. Year ₹Nil).
4. Redemption of Preference Shares under Investment include Bhushan Steel Bengal Ltd. ₹2150.00 Lacs (Pre. Year ₹Nil) and Bhushan Steel (South) Ltd. ₹3000.00 Lacs (Pre. Year ₹Nil).
5. Equity Share Capital received from Shri Neeraj Singal ₹11921.47 Lacs (Pre. Year. ₹11921.47 Lacs), Shri Brij Bhushan Singal ₹6818.16 Lacs (Pre. Year ₹6818.16 Lacs), Smt. Ritu Singal ₹734.94 Lacs (Pre. Year ₹734.94 Lacs), Brij Bhushan Singal (HUF) ₹1.11 Lacs (Pre. Year ₹1.11 Lacs) and Bhushan Infrastructure Pvt. Limited ₹3086.87 Lacs (Pre Year ₹3086.87 Lacs) & Preference Share Capital received from Shri Brij Bhushan Singal ₹13200.00 Lacs (Pre. Year ₹Nil) and Shri Neeraj Singal ₹16902.00 Lacs (Pre. Year ₹Nil).

6. Redemption of Preference Share Capital includes Bhushan Energy Limited ₹30000.00 Lacs (Pre. Year ₹Nil), Shri Neeraj Singal ₹11900.01 Lacs (pre. Year ₹Nil), Shri Brij Bhushan Singal ₹6800.01 Lacs (Pre. Year ₹Nil) and Bhushan Infrastructure Private Limited ₹2100.00 Lacs (Pre. Year ₹Nil).
7. Purchase of Goods/Services is from Arshiya International Ltd. ₹3528.12 Lacs (Pre. Year ₹8535.75 Lacs), Bhushan Energy Ltd. ₹35149.73 Lacs (Pre. Year ₹62308.32 Lacs ) and Bhushan Aviation Ltd. ₹1512.00 Lacs (Pre.Year ₹1425.85 Lacs ).
8. Sale of Goods/Services to Bhushan Energy Ltd. ₹2650.28 Lacs (Pre. Year ₹9859.45 Lacs).
9. Rent Received is from Bhushan Aviation Ltd. ₹0.70 Lacs (Pre. Year ₹1.20 Lacs).

**NOTE – 36**

The Company has an Indian Joint Venture with Andal East Coal Company Pvt. Ltd. having sharing of 33.33%. Its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture as per unaudited financial statement is as under :-

(₹ in Lacs)

	Current Year	Previous Year
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	33.00	33.00
Reserves & Surplus	103.15	103.25
<b>Share Application Money Pending Allotment</b>	495.50	449.00
<b>Non- Current Liabilities</b>		
Long-Term Borrowings	-	-
Deferred Tax Liabilities (Net)	-	-
Other Long Term Liabilities	-	-
Long-Term Provisions	1.64	1.48
<b>Current Liabilities</b>		
Short-Term Borrowings	-	-
Trade Payables	1.62	2.47
Other Current Liabilities	92.87	10.51
Short-Term Provisions	0.10	0.15
<b>TOTAL</b>	<b>727.88</b>	<b>599.86</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Tangible Assets	1.40	1.70
Intangible Assets	-	-
Capital Work in Progress	579.40	548.31
Non-Current Investments	-	-
Long-Term Loans and Advances	0.01	0.50
Other Non-Current Assets	-	-
<b>Current Assets</b>		
Current Investments	-	-
Inventories	-	-
Trade Receivables	-	-
Cash & Bank Balances	2.87	5.42
Short-Term Loans and Advances	144.20	43.93
Other Current Assets	-	-
<b>TOTAL</b>	<b>727.88</b>	<b>599.86</b>
<b>INCOME</b>		
Gross Revenue from Operations	-	-
Other Income	-	-
<b>TOTAL REVENUE</b>	-	-
<b>EXPENSES</b>		
Cost of Raw Material Consumed	-	-
Purchase of Stock In Trade	-	-
Change in Inventories of Finished Goods, Work-In -Progress & Stock-In-Trade	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation & Amortisation Expense	-	-
Other Expenses	0.10	2.07
<b>Total Expenses</b>	<b>0.10</b>	<b>2.07</b>
<b>Profit / (Loss) Before Tax</b>	<b>(0.10)</b>	<b>(2.07)</b>
Tax Expense	-	-
<b>Profit / (Loss) After Tax</b>	<b>(0.10)</b>	<b>(2.07)</b>
Capital Commitment	9.12	9.12
Contingent Liability-Bank Guarantee	522.67	522.67



**NOTE – 37**

The Company hold 90.90% (Previous Year 89.95%) share in Bhushan Steel (Australia) Pty Ltd. Bhushan Steel (Australia) Pty Ltd. hold 100.00 % (Previous Year 100.00%) share in Bowen Energy Ltd. Bhushan Steel (Australia) Pty Ltd. has invested the amount in Bowen Energy Ltd. out of the proceeds received from its Holding Company (i.e. Bhushan Steel Limited) which are being utilized by Bowen Energy Ltd. in exploration of mines.

**In Notes to Accounts on the Consolidated Financial Statements of subsidiary M/s Bowen Energy Ltd.(Australia), following notes have been given involving material items:**

"The Consolidated entity has recorded a loss of \$ 3,245,854 for the year ended 30 June 2013 (2012: \$1,687,619) has cash outflows from operations of \$1,389,919 (2012: \$399,999), current liabilities of the Consolidated entity exceeded current assets by \$8,350,357 (2012:\$ 6,197,029) and the Consolidated entity is also in a net liability position of \$4,423,581 (2012:\$ 1,165,594).

To ensure the ongoing viability of the consolidated entity the directors have negotiated a \$10m loan facility with Bhushan Steel (Australia) Pty Limited a wholly owned subsidiary of Bhushan Steel Limited, the parent entity of Bowen Energy Limited. At the reporting date the consolidated entity had drawn down \$6.9m of this loan. The Directors believe that taking into consideration the minimum required expenditure to maintain title to existing exploration licences, current levels of administrative expenditure, the available loan facility, assuming funding is made available under the terms and conditions of the loan, will be sufficient to ensure that the Consolidated entity is able to settle its liabilities as they fall due in the ordinary course of business. Bhushan Steel (Australia) Pty Limited has also agreed not to recall payment of the loan payable by the consolidated entity until such time the consolidated entity has surplus cash. On this basis the financial report has been prepared on the going concern basis".

The loss, including impairment loss, shown in Balance Sheet of the Bowen Energy Ltd., Australia as mentioned in the above note, consist mainly expenditure incurred by the Company on exploration activity of its various mines which are still not operational, however, in accordance with generally accepted accounting principles in India, the same has been treated as Capital work in progress.

In the opinion of the company's management, the note given by the auditors of Bowen Energy Ltd., Australia is not applicable as loss, other than tenements written off, has been capitalized to CWIP in the consolidated Balance Sheet of Bhushan Steel Ltd as per generally accepted accounting principles in India.

**NOTE – 38**

The Company is engaged in the steel business, which in the context of Accounting Standard (AS)-17 is considered the only primary business segment.

Gross Revenue excluding export incentives of the company as per Geographical Segment is as follows:

	(₹ in Lacs)	
	Current Year	Previous Year
Within India	861992.91	990866.53
Outside India	190095.64	181289.45
<b>Total</b>	<b>1052088.55</b>	<b>1172155.98</b>

Trade Receivable of the company as per Geographical Segment is as follows:

Within India	241800.95	229601.45
Outside India	4643.97	4707.27
<b>Total</b>	<b>246444.92</b>	<b>234308.72</b>

The Company has common fixed assets, other assets and liabilities for producing goods for domestic as well as overseas market.

**NOTE – 39**

Fixed Assets include one cold rolling mill established in 1992 damaged in fire accident in the year 1998-99. The amount received from Insurance Company for reinstatement /repair of the mill is included in other liabilities as the matter is still sub-judice. The amount received shall be adjusted on final disposal of the pending suit.

**NOTE - 40**

**Pre-operative Expenses** (In respect of project to be capitalized) :

Opening Balance		343390.18	226018.10
Add: Pre-operative Expenses			
1. Transferred from Statement of Profit and Loss including Trial Run Loss / (Gain)	56069.40		63183.69
2. Depreciation	1314.50		748.40
3. Finance Costs (During Construction and Trial Run)	174029.40	231413.30	146129.19
		<b>574803.48</b>	<b>436079.38</b>
Less : Interest earned during construction period		419.21	234.00
		<b>574384.27</b>	<b>435845.38</b>
Less: Capitalised			
- Pre-Operative Expenses [Including Trial Run Loss / (Gain)]	138671.62		92188.17
- Depreciation	946.77	139618.39	267.03
<b>TOTAL</b>		<b>434765.88</b>	<b>343390.18</b>

	Current Year	Previous Year
<b>NOTE – 41</b>		
<b>Earning Per Share</b>		
<b>(i) Weighted Average No. of Equity Shares</b>		
Weighted Average No. of Equity Shares {Including effect of Right issue as required by Accounting Standard (AS)-20}	225251633	215919627
<b>(ii) Equity Shares for Calculating Diluted Earning per Share</b>		
Weighted Average No. of Equity Shares	225251633	215919627
<b>(iii) Profit After Tax (₹ in Lacs)</b>		
	6195.96	90889.03
Less: - Dividend on preference shares (Including Dividend Tax)	1173.09	1054.17
Profit after dividend on preference shares	5022.87	89834.86
<b>(iv) Earning Per Share (₹)</b>		
- Basic	2.23	41.61
- Diluted	2.23	41.61

**NOTE – 42**  
**Detail of Misc. Income**

	(₹ in Lacs)	
1. Insurance Claim Received	44.02	62.05
2. Rent Received	11.09	5.46
3. Bad Debts / Compensation Recovered	0.44	-
4. Miscellaneous Receipts	86.12	0.84
	<b>141.67</b>	<b>68.35</b>

**NOTE – 43**

The Company in respect of Khopoli unit has opted "Deferral Scheme" of sales tax and paid VAT on the basis of Net Present Value (NPV).

Tax difference between the amount payable and amount paid under NPV, amounting to ₹4390.27 Lacs (Previous Year ₹6036.54 Lacs), being capital receipt, has been credited to Capital reserve.

**NOTE – 44**

The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary item in accordance with Companies (Accounting Standards) Amendment Rules 2009 pertaining to Accounting Standard (AS)-11 notified by Government of India on 31st March, 2009 (As amended on 29th December, 2011) which allows foreign exchange differences on long-term monetary items arising on or after 1st April, 2011 to be capitalized to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the balance period of the respective monetary items.

As on 31st March, 2014, a debit of ₹Nil (Pre. Year ₹Nil) remains to be amortised in the "Foreign Currency Monetary Item Translation Difference Account".

**NOTE – 45**

The company has not entered into any finance / operating lease during the year.

**NOTE – 46**  
**DERIVATIVES**

- I The company has not entered into any derivatives instruments to hedge the foreign currency contracts. There is no derivative contract outstanding as on the date of the Balance Sheet.
- II The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below :-

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
<b>a) Amount receivable in Foreign Currency on Account of</b>				
Sale of Goods	77.27	4643.97	86.69	4707.27
Advance against goods / Capital Goods	726.91	43687.40	401.41	21796.77
<b>b) Amount payable in Foreign Currency on Account of</b>				
Acceptances	2624.29	157719.33	3293.52	178838.33
Trade Payables / Creditors for Capital Goods / Customers Credit balances	3152.79	189482.03	1480.36	80383.31
Loans / Interest Payable	16465.33	989562.84	17387.36	944133.60
Security Deposit Received from customers	-	-	200.00	10860.00

**NOTE – 47**

As per Accounting Standard (AS) -15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting Standards are given below:-

**A. Defined Contribution Plans:**

Contribution to defined contribution plan, recognized as expenses / pre-operative expenses is as under:

(₹ in Lacs)

	Current Year	Previous Year
a) Employer contribution to Provident Fund /Other Funds	194.74	192.26
b) Employer contribution to State Plans:		
i) Employee State Insurance	76.76	78.54
ii) Maharashtra Labour Welfare Fund	0.13	0.15

**B. Defined Benefit Plans:**

- a) Leave Encashment/ Compensated Absence.
- b) Contribution to Gratuity Funds - Employee's Gratuity Fund.

In accordance with Accounting Standard (AS) - 15 (Revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumptions:

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
<b>i) Actuarial Assumptions</b>				
Discount Rate (per annum)	8.5%	8%	8.5%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	-	-	8%	8%
Expected Average remaining working lives of employees (years)	26	26	26	26
<b>ii) Change in the obligation during the year ended 31st March, 2014</b>				
Present value of obligation as at 31st March, 2013	1311.56	1074.39	2071.67	1650.37
Impact of Transition provision of (AS)-15	-	-	-	-
Interest cost	104.93	85.95	165.73	132.03
Past Service cost	-	-	-	-
Current service cost	312.80	317.31	353.60	327.44
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(201.24)	(83.66)	(76.47)	(48.23)
Actuarial (gain)/ loss on Obligations	(178.55)	(82.43)	(134.49)	10.06
Present value of obligation as at 31st March, 2014	1349.50	1311.56	2380.04	2071.67
<b>iii) Change in fair value of Plan Assets</b>				
Fair value of Plan Assets as at 31st March, 2013	-	-	1643.00	1419.28
Expected return on Plan Assets	-	-	131.44	113.54
Contributions	-	-	-	149.98
Benefits Paid	-	-	(76.47)	(48.23)
Actuarial gain/ (loss) on Obligations	-	-	8.22	8.43
Fair value of Plan Assets as at 31st March, 2014	-	-	1706.19	1643.00
<b>iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets</b>				
Present value of obligation as at 31st March, 2014	1349.50	1311.56	2380.04	2071.67
Fair value of Plan Assets as at 31st March, 2014	-	-	1706.19	1643.00
Funded Status	(1349.50)	(1311.56)	(673.85)	(428.67)
Present value of un-funded obligation as at 31st March, 2014	-	-	-	-
Un-funded Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognised in Balance Sheet	(1349.50)	(1311.56)	(673.85)	(428.67)
<b>v) Expenses / Pre-Operative expenses recognised in Statement of Profit and Loss</b>				
Current service cost	312.80	317.31	353.60	327.44
Past Service cost	-	-	-	-
Interest cost	104.93	85.95	165.73	132.03
Expected return on Plan Assets	-	-	(131.44)	(113.54)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(178.55)	(82.43)	(142.71)	1.63
Total Expense recognised in Statement of Profit and Loss / Pre-Operative expenses	239.18	320.83	245.18	347.56

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

(₹ in Lacs)

	Current Year		Previous Year	
<b>NOTE – 48</b>				
<b>Value of Import on C.I.F. Basis</b>				
- Raw Material		187577.62		167947.51
- Capital Goods		62583.46		124266.76
- Stores/Spare parts		13553.51		12198.88
<b>NOTE – 49</b>				
<b>Expenditure in Foreign Currency</b>				
- Travelling		354.97		729.11
- Sales Commission		363.35		573.08
- Machinery Repair & Maintenance		46.02		37.78
- Technical Consultancy		58.79		1473.81
- Interest & Finance Charges		37915.90		35904.31
- Capital Machinery / Indirect Expenses		393.86		-
- Legal Expenses		106.52		110.94
- Rates & Taxes		3.24		6.48
- Subscription		5.40		9.30
- Royalty		281.14		1064.05
<b>NOTE – 50</b>				
<b>Earnings in Foreign Exchange</b>				
- FOB Value of Export		190095.64		181289.45
- Interest Received		-		18.62

	Current Year		Previous Year	
	Value (₹ in lacs)	%age	Value (₹ in lacs)	%age
<b>NOTE – 51</b>				
<b>Value of Imported / Indigenous Raw Material and Stores / Spare Parts Consumed</b>				
<b>Raw Material:</b>				
Imported	136312.80	26.07	128940.57	22.06
Indigenous	386620.71	73.93	455678.91	77.94
	522933.51	100.00	584619.48	100.00
<b>Stores / Spare Parts:</b>				
Imported	7160.16	26.46	4923.32	18.66
Indigenous	19900.59	73.54	21461.85	81.34
	27060.75	100.00	26385.17	100.00

**NOTE – 52**

**Remittance in foreign currency on account of Dividend**

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The total amount remittable in this respect is given herein below :

	Current Year		Previous Year	
	USD	INR	USD	INR
(a) Number of Non-Resident Shareholders		251		288
(b) Number of Equity Shares held by them		4313791		4153824
(c) (i) Amount of dividend paid (Gross)	130	2156896	151	2076912
(a) Amount of dividend paid through transfer in NRE a/c		2148896		2068912
(b) Amount of Dividend paid through Foreign Currency	130	8000	151	8000
(ii) Tax deducted at source	-	-	-	-
(iii) Year to which dividend relates		2012-2013		2011-2012

**NOTE – 53**

Previous Year Figures have been rearranged/regrouped wherever considered necessary.

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.: 000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 30th May, 2014

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

### Summary of Financial Information of Subsidiary Companies

Name of Subsidiary	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets including Current Assets	Total Liabilities excluding Shareholder's Funds	CWIP included in Total Assets	Investments included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
Bhushan Steel (Orissa) Ltd.	India	INR	1.00	500000	(3457)	532147	35604	-	-	-	2526	1545	981	-
Bhushan Steel (South) Ltd.	India	INR	1.00	10500000	(2875376)	7666518	41894	-	-	-	(2726315)	1931	(2728246)	-
Bhushan Steel Madhya Bharat Ltd.	India	INR	1.00	500000	(3917)	530251	34168	-	-	-	2412	1545	867	-
Bhushan Steel (Australia) PTY Ltd.	Australia	AUD	55.577	2672388533	(41375161)	2707738234	76724862	1576710986	754437111	-	(9184886)	-	(9184886)	-
Bowen Energy PTY Ltd.	Australia	AUD	55.577	890004188	*28867333	1167866656	248995135	1101816094	1485035	-	(24581999)	-	(24581999)	-
Bowen Coal PTY Ltd.	Australia	AUD	55.577	92	*1452548	1452640	-	1452529	-	-	(2)	-	(2)	-
Bowen Consolidated PTY Ltd.	Australia	AUD	55.577	138	*29	167	-	-	-	-	(3)	-	(3)	-
Kondor Holdings PTY Ltd.	Australia	AUD	55.577	92	*277960	278052	-	-	-	-	(4618)	-	(4618)	-
Golden Country Resources (Australia) PTY Ltd.	Australia	AUD	55.577	470334	*15742533	16212867	-	-	-	-	15258191	-	15258191	-

\* Includes Foreign Currency Translation Reserve

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Sd/-  
**MITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**O. P. DAVRA**  
COMPANY SECRETARY

Place: New Delhi  
Dated: 30th May, 2014



## INDEPENDENT AUDITORS' REPORT

**To**  
**The Board of Directors of**  
**Bhushan Steel Limited**

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of **Bhushan Steel Limited** ("the Company"), its subsidiaries, associates and joint venture (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the

consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters, which describe the uncertainty relating to the matters mentioned:

5. Consolidated Financial statement of a foreign subsidiary namely Bowen Energy PTY Limited (Australia) is prepared in accordance with Accounting Standards and other generally accepted accounting principles in Australia with the year ending June, 30 every year. Consolidated Financial statement of the Bowen Energy PTY Limited (Australia) , included in Consolidated Financial Statement , are prepared by the management as on 31st March of every year, by converting the figures in accordance with Accounting Standards and other generally accepted accounting principles in India. We have solely relied upon the consolidated financial statement of Bowen Energy PTY Limited (Australia) submitted to us by the management and our report is based solely on such unaudited consolidated financial statements prepared by the management whose consolidated financial statements reflect total assets of ₹11633.40 Lacs as at 31st March, 2014, Profit / (Loss) of (₹245.87 Lacs), and cash outflows amounting to ₹206.64 Lacs for the year ended at 31st March, 2014.

6. We have relied on the unaudited financial statements of a foreign subsidiary, namely Bhushan Steel (Australia) PTY Ltd. and a joint venture, namely Andar East Coal Company Pvt. Ltd., whose financial statements reflect total assets of ₹27077.38 Lacs and ₹1883.39 Lacs as at 31st March, 2014, Profit / (Loss) of ₹91.85 Lacs and (₹0.29 Lacs) and cash outflows amounting to ₹667.40 Lacs and ₹7.66 Lacs for the year ended at 31st March, 2014 respectively and five Indian subsidiaries (upto 29th September, 2013) namely Bhushan Steel Bengal Limited, Parakeet Finvest Private Limited, Marsh Capital Services Private Limited, Paragon Securities Private Limited, Perpetual Securities Private Limited, whose financial statements reflects total assets of ₹9339.43 Lacs as at 29th September, 2013, Profit / (Loss) of (₹1.06 Lacs) and total cash inflow of ₹77.33 Lacs for the period ended at 29th September, 2013. These unaudited financial statements have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary and joint venture is based solely on such unaudited financial statements prepared by the management.
7. The investment in an associate, namely Angul Sukinda Railway Limited valued at ₹1000.00 Lacs in the financial statement of the Company, no adjustment have been made in the Consolidated Financial Statements for the year ended 31st March, 2014, as required by the Accounting Standards (AS)-23 notified by the companies (Accounting Standards) Rules, 2006, as the financial statement was not available.

For **MEHRA GOEL & CO.**

Chartered Accountants  
Registration No.: 000517N

Sd/-

**R.K. Mehra**

Partner

M. NO.: 6102

Place : New Delhi

Dated : 30th May, 2014

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

		(₹ in Lacs)	
	NOTE	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	14902.48	14548.11
Reserves and Surplus	3	901255.95	908085.83
		<b>916158.43</b>	<b>922633.94</b>
<b>Share Application Money Pending Allotment</b>		-	-
<b>Minority Interest</b>		<b>3331.01</b>	<b>7597.62</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	2556610.17	2166421.28
Deferred Tax Liabilities (Net)	5	137519.22	134278.06
Other Long Term Liabilities	6	216691.45	218482.73
Long-Term Provisions	7	1.64	1.48
		<b>2910822.48</b>	<b>2519183.55</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	627307.42	523286.39
Trade Payables	9	235225.49	163182.33
Other Current Liabilities	10	413889.45	210512.36
Short-Term Provisions	11	4275.82	7592.08
		<b>1280698.18</b>	<b>904573.16</b>
<b>Total</b>		<b>5111010.10</b>	<b>4353988.27</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	2187484.14	1814767.21
Intangible Assets		90.40	115.84
Capital Work in Progress		1659052.82	1284812.25
		<b>3846627.36</b>	<b>3099695.30</b>
Non-Current Investments	13	38297.05	35791.66
Long-Term Loans and Advances	14	180347.02	254386.19
Other Non-Current Assets	15	-	2140.14
		<b>218644.07</b>	<b>292317.99</b>
<b>Current Assets</b>			
Current Investments	16	9.46	2487.67
Inventories	17	648024.92	555967.55
Trade Receivables	18	246444.92	234310.97
Cash and Bank Balances	19	8498.40	16398.43
Short-Term Loans and Advances	20	142664.93	152810.36
Other Current Asstes	21	96.04	-
		<b>1045738.67</b>	<b>961974.98</b>
<b>Total</b>		<b>5111010.10</b>	<b>4353988.27</b>
<b>Significant Accounting Policies</b>	1		
<b>Other Notes on Financial Statements</b>	30-48		

As per our report of even date attached

For **MEHRA GOEL & CO.**

Chartered Accountants

(Registration No.: 000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 30th May, 2014

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	NOTE	Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>INCOME</b>					
Gross Revenue from Operations	22	1060042.90		1180001.85	
Less: Excise Duty		92459.59	967583.31	105574.88	1074426.97
Other Income	23		2912.01		1737.15
<b>TOTAL REVENUE</b>			<b>970495.32</b>		<b>1076164.12</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	24		518939.33		579864.15
Cost of Purchase Goods Traded	25		3905.20		8118.55
Change in Inventories of Finished Goods, Work In Progress and Stock -In -Trade	26		(2138.02)		(10583.67)
Employee Benefits Expense	27		18852.71		17345.41
Finance Costs	28		166329.72		128744.68
Depreciation and amortization expense			96396.41		83086.19
Other Expenses	29		159042.87		148644.18
<b>Total Expenses</b>			<b>961328.22</b>		<b>955219.49</b>
<b>Profit Before Tax</b>			<b>9167.10</b>		<b>120944.63</b>
Tax Expense					
- Current Tax			1998.28		24289.45
- MAT Credit Utilised/(Available for Setoff)			(1998.27)		(24175.02)
- Deferred Tax			3241.13		30396.43
- Income Tax Paid for Earlier Years			96.40		30510.86
<b>Profit for the year(before Adjustment for Share of Associates &amp; Minority Interest)</b>			<b>5829.56</b>		<b>90433.77</b>
Add: Share of Profit/(Loss) of Associates			37.87		23.97
Add: Share of Profit/(Loss) on deconsolidation of subsidiaries			16.17		-
Less: Minority Interest / Pre-acquisition Profit/ (Loss)			(30.77)		(236.36)
<b>Profit for the year(After Adjustment for Share of Associates &amp; Minority Interest)</b>			<b>5914.37</b>		<b>90694.10</b>
Basic Earning Per Share (₹)			2.10		41.52
Diluted Earning Per Share (₹)			2.10		41.52
Nominal Value of Share (₹)			2.00		2.00
(Refer Note-43)					
<b>Significant Accounting Policies</b>	1				
<b>Other Notes on Financial Statements</b>	30-48				

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.: 000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 30th May, 2014

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and extraordinary items and share of profit of Associates</b>	<b>9167.10</b>	<b>120944.63</b>
Adjustments for :		
Depreciation & Amortization Expenses	96396.41	83086.19
Provisions (Retirement Benefits)	283.23	435.67
Capital Advances / CWIP Written Off	27.25	-
Finance Costs	166329.72	128744.68
Interest/Dividend Income on Investments	(22.58)	(258.80)
Interest Income ( Others)	(2709.51)	(1151.52)
Profit on Sale of Investments	(37.44)	(79.94)
Diminution in value of investment written back	3.21	40.09
Loss / (Profit) on Sale of Fixed Assets	84.29	(177.29)
Provision for Doubtful Debts	277.29	70.18
Right Issue Expenses	86.94	83.60
Loss/(Gain) on Exchange Rate Change	13421.78	2242.69
<b>Operating Profit Before Working Capital Changes</b>	<b>283307.69</b>	<b>333980.18</b>
Adjustments for :		
Increase(-) / Decrease in Inventories	(92057.37)	(224824.94)
Increase(-) / Decrease in Trade Receivables	(13822.23)	(112309.60)
Increase(-) / Decrease in Loans & Advances	19516.92	(34804.55)
Increase / Decrease(-) in Trade Payables & Other Liabilities	41159.42	39459.51
<b>Cash Flow from Operating Activities</b>	<b>238104.43</b>	<b>1500.60</b>
Direct Tax Paid (Net of Refund)	(7767.84)	(22554.32)
<b>Net Cash (Used) / Flow in / from Operating Activities (A)</b>	<b>230336.59</b>	<b>(21053.72)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(487631.84)	(452761.37)
Sale of Fixed Assets	400.28	237.27
Purchase of Investments	(43277.37)	(33549.73)
De-subsidisation of Shares in Subsidiary	22032.48	-
Long Term Fixed Deposits	2140.14	(202.60)
Share of Profit of Associates	37.87	23.97
Sale of Investments	21251.94	32645.96
Interest Income	2823.67	1493.30
Dividend Income	2.73	0.05
<b>Net Cash Used In Investing Activities (B)</b>	<b>(482220.10)</b>	<b>(452113.15)</b>

(₹ in Lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs	(314307.43)	(269175.03)
Proceeds From Cash Credit From Banks (Net)	191529.73	218177.22
Proceeds From Other Borrowings	382605.41	468000.32
Proceeds From Share / Share Application Money	53814.03	33715.34
Right Issue Expenses	(86.94)	(83.60)
Proceeds From Share Application Money of Minority Shareholders	33.28	(1081.67)
Redemption of Preference Shares Including Premium	(51399.31)	(1389.07)
Capital Subsidy	4390.27	6036.54
Proceeds on Consolidation/De-consolidation of Subsidiaries	(20949.65)	382.68
Dividend Paid	(1285.13)	(1954.47)
Dividend Tax Paid	(360.78)	(294.84)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>243983.48</b>	<b>452333.42</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(7900.03)</b>	<b>(20833.45)</b>
Opening Balances of Cash and Cash Equivalents	16398.43	37231.88
Closing Balances of Cash and Cash Equivalents	8498.40	16398.43

**Note:-**

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statement'.
- Cash and Cash equivalents include ₹13.46 Lacs (Previous Year ₹29.84 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Figures in brackets represent cash out flow.
- Previous Year Figures have been rearranged/regrouped wherever considered necessary.

As per our report of even date attached

For **MEHRA GOEL & CO.**Chartered Accountants  
(Registration No.: 000517N)Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102Sd/-  
**B. B. SINGAL**  
CHAIRMANSd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTORPlace: New Delhi  
Dated: 30th May, 2014Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICERSd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY



## NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

### A) PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements consist of Bhushan Steel Ltd ("the Company") and its subsidiaries, associates and joint venture. The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiaries and joint venture have been combined on a Line-by-Line basis by adding together like items of assets, liabilities, income & expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated.
- ii. In case of foreign subsidiaries, being integrated foreign operations, revenue items are consolidated at the exchange rate prevailing at the date of the transaction. Foreign currency monetary items are converted at rates prevailing at the end of the year. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the transaction date. Non-Monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Any exchange difference arising on consolidation is recognized in the Statement of Profit and Loss.
- iii. In case of foreign subsidiaries, being non integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.
- iv. The excess of cost of the Company of its investments in the subsidiaries over its share of the equity of the subsidiaries, at
- ix. The following subsidiaries are considered in the preparation of consolidated financial statements.

the dates on which the investments in the subsidiaries are made, is recognized as "Goodwill" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiaries as on the date of investments, is in excess of cost of investment of the Company, it is recognized as "Capital Reserves" and shown under the head "Reserves and Surplus", in the consolidated financial statements.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiaries.

- v. In the case of Associates, investment in Associates is accounted for using equity method in accordance with Accounting Standard (AS)-23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- vi. The difference between the cost of investment in the Associates and the net assets at the time of acquisition of shares in the Associate is identified in the Financial Statements as Goodwill or Capital Reserve as the case may be.
- vii. Interest in Joint venture have been accounted by using the proportionate consolidation method as per Accounting Standard (AS)-27 on "Financial Reporting of Interest in Joint Ventures" notified by Companies (Accounting Standards) rules, 2006.
- viii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

Name of the Company	Country of Incorporation	% age of Voting Power either directly or through Subsidiaries as at 31st March, 2014
Bhushan Steel Bengal Ltd (Upto 29th September 2013)	India	Nil
Parakeet Finvest Pvt Limited (Upto 29th September 2013)	India	Nil
Marsh Capital Services Pvt Limited (Upto 29th September 2013)	India	Nil
Paragon Securities Pvt Limited (Upto 29th September 2013)	India	Nil
Perpetual Securities Pvt Limited (Upto 29th September 2013)	India	Nil
Jawahar Credit & Holdings Private Limited (Upto 29th September 2013)	India	Nil
Bhushan Capital & Credit Services Private Limited (Upto 29th September 2013)	India	Nil
Bhushan Steel (Orissa) Ltd	India	100.00
Bhushan Steel (South) Ltd	India	100.00
Bhushan Steel Madhya Bharat Ltd	India	100.00
Bhushan Steel (Australia) PTY Ltd.	Australia	90.90
Bowen Energy PTY Ltd. **	Australia	100.00
Kondor Holdings PTY Ltd. *	Australia	100.00
Bowen Coal PTY Ltd. *	Australia	100.00
Bowen Consolidated PTY Ltd. *	Australia	100.00
Golden Country Resources (Australia) PTY Ltd. *	Australia	100.00

\*\* Subsidiary of Bhushan Steel (Australia) PTY Ltd.

\* Subsidiaries of Bowen Energy PTY Ltd.

- x. The Joint Venture Company considered in the Consolidated Financial Statements is :-

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Andal East Coal Company Pvt. Ltd.	India	33.33 %

- xi. The Associate Companies considered in the Consolidated Financial Statements are:-

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Bhushan Energy Ltd.	India	47.17%
Bhushan Capital & Credit Services Private Limited (from 30th September 2013)	India	42.58%
Jawahar Credit & Holdings Private Limited (from 30th September 2013)	India	39.65%
Angul Sukinda Railway Ltd. (Refer Note 36)	India	
- Based on paid up share capital		10.12 %
- As Per Shareholder and share Subscription agreement		20.00 %

- xii. The financial statements of the subsidiary, associate and joint venture companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2014.
- xiii. During the current year Bhushan Steel Bengal Ltd, Bhushan Capital & Credit Services Pvt. Ltd., Jawahar Credit & Holdings Pvt. Ltd., Paragon securities Pvt. Ltd., Parakeet Finvest Pvt. Ltd., Perpetual Securities Pvt. Ltd., Marsh Capital Services Pvt. Ltd. ceased to be Subsidiaries of the Company. Further Bhushan Capital & Credit Services Pvt. Ltd. and Jawahar Credit & Holdings Pvt. Ltd. became associate companies.

**B) Investments other than in Subsidiaries, Joint Venture and Associates have been accounted as per Accounting Standard (AS)-13, on "Accounting for Investments"..**

**C) OTHER SIGNIFICANT ACCOUNTING POLICIES:**

**I) PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in compliance to the requirements of the Companies Act 1956, applicable Accounting Standards and the requirements of Part-I & II of Schedule-VI (revised).

**II) BASIS OF PREPARATION**

The financial statements have been prepared on historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956 as adopted consistently by the Company, except for defined benefit pension/other funds obligations that have been measured at fair value. The carrying value of certain monetary items denominated in foreign currency is translated at the exchange rates applicable on the date of Balance Sheet.

**III) USE OF ESTIMATES**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**IV) REVENUE / EXPENDITURE RECOGNITION**

Revenue is recognized when it can be reliably measured and when all significant risks and rewards/ownership are transferred to the customer. Sales are inclusive of sales during trial run, excise duty, customs duty. Exports sales are net of ocean freight, insurance and discount.

Dividend is recognized when company's right to receive payment is established. Interest income is recognized on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations.

**V) EXTRA ORDINARY ITEMS**

Extraordinary items are those income or expenses that arise from

events or transactions that are clearly distinct from the ordinary activities of the enterprise, and, therefore, are not expected to recur frequently or regularly.

**VI) EXCEPTIONAL ITEMS**

Exceptional items are those items of income or expense arising from ordinary activities, or of such size, nature or incidence that requires separate disclosure to explain the performance of the enterprise.

**VII) FIXED ASSETS**

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat/cenvat, less accumulated depreciation and include directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. The replacement of such spares is charged to revenue.

Capital expenditure on assets not owned by the company with exclusive right to use is reflected in capital work-in-progress till the period of completion and thereafter in Fixed Assets.

**VIII) ASSETS IN THE COURSE OF CONSTRUCTION**

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

**IX) INTANGIBLE ASSETS**

In accordance with Accounting Standard (AS)- 26 relating to intangible assets, all costs incurred on technical know how/license fee relating to production process are charged to revenue in the year of incurrence. Technical know how/license fee relating to process design/plants/facilities are capitalized at the time of capitalization of the said plant/facility and amortized over a period of three years.

**X) IMPAIRMENT OF ASSETS**

Carrying amount of cash generating units/Fixed Assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The excess of carrying value of the asset over the recoverable amount is charged, as an impairment loss to the Statement of Profit and Loss.

**XI) DEPRECIATION**

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except:

- Cold Rolling Plant situated at Sahibabad acquired prior to 1st April, 1996, Galvanizing Plant, Power Plant acquired before 1st April, 2002 including addition or, extension forming integral part of above plants on which depreciation is provided on written down value method.
- Plant situated at Khopoli (Maharashtra) on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

On incremental / decremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation has been provided as aforesaid over the residual life of the respective plants.

Capital expenditure on assets not owned by the company with exclusive right to use is amortized over a period of five years from the year in which the relevant assets have been completed and available for use. In other cases these are amortised in the year in which expenditure is incurred.

Premium on leasehold land is amortized over the period of lease except on leasehold land acquired on lease of ninety years or more. Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing ₹5000/- or less are depreciated in full in the year of purchase.

- c) Depreciation on Plant and Equipment specified below of the Bowen Energy PTY Limited, a foreign subsidiary of the company is provided on straight line method in the manner prescribed in schedule XIV to the Companies Act, 1956 at the rates specified below:

Drill Rig - 10 %  
Air Compressor – 13.33 %

**XII) INVENTORIES**

Inventories are valued at the lower of cost or net realizable value, less any provisions for obsolescence.

Cost is determined on the following basis;

Raw Material is recorded at cost on a first-in-first-out (FIFO) basis;

Finished goods and work-in-progress are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

By products and scrap are valued at net realizable value.

Excise duty on closing stock of finished goods and scrap is accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

**XIII) INVESTMENTS**

Investments are classified into Current and Non-current investments. Current investments are stated at lower of cost or market value/fair value. Non Current investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

**XIV) FOREIGN EXCHANGE TRANSACTIONS**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currency outstanding at the year end are translated at exchange rate applicable on the date of Balance Sheet. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in cases of long term monetary items, where these relate to the acquisition of depreciable fixed assets, are adjusted to the carrying cost of such assets and in other cases are amortized over the period of such long term monetary item.

**XV) BORROWING COST**

Borrowings Cost relating to acquisition or construction of qualifying assets are included in the costs of those assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**XVI) MODVAT / CENVAT / VAT**

Modvat / Cenvat / Vat claimed on capital goods is credited to Assets / Capital work in progress account. Modvat/Cenvat/Vat on purchase of raw materials and other materials are deducted from the cost of such materials..

**XVII) CLAIMS**

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

**XVIII) EMPLOYEE BENEFITS**

Short term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost. Long term employee benefits (which are payable after the end of twelve months from end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on

a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

Company's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare fund are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

The cost of providing leave encashment and gratuity, defined benefit plans, are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The leave encashment and gratuity benefit obligations recognized in the balance sheet represent the present value of the obligations as reduced by the fair value of Plan Assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

**XIX) TAX EXPENSE**

Provision for current income tax is made after taking credit for allowance and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

Minimum Alternate Tax (MAT) paid in accordance with the Income Tax Act, 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset.

In accordance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income", the Deferred tax liability for timing differences between the book and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is virtual certainty that the assets can be realized in future.

**XX) LEASES**

Assets acquired under finance lease from 01.04.2001 are capitalized at the lower of their fair value or the present value of the minimum lease payments.

**XXI) DERIVATIVE FINANCIAL INSTRUMENTS**

In respect of the financial derivative contracts the premium / interest paid and profit / loss on settlement is charged to statement of profit and loss. The contracts entered into are marked to market at the year end and the resultant profit / loss is charged to statement of profit and loss except where these relate to long term monetary items attributable to depreciable fixed assets in which case it is adjusted to the cost of fixed assets.

**XXII) PROVISION AND CONTINGENT LIABILITY**

Show cause notices issued by various government authorities are not considered as obligation. Where the demand notices are raised, the show cause notice, disputed by the company, is classified as possible obligation.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

**XXIII) CONTINGENCIES & COMMITMENTS**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the financial position or profitability.

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE -2 SHARE CAPITAL</b>		
<b>Authorised</b>		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹2/- Each	8000.00	8000.00
1,45,00,000 (Previous Year 1,45,00,000) Preference Shares of ₹100/- Each	14500.00	14500.00
	<b>22500.00</b>	<b>22500.00</b>
<b>Issued</b>		
23,06,05,220 (Previous Year 23,06,05,220) Equity Shares of ₹2/- Each	4612.10	4612.10
82,35,433 ( Previous Year 94,05,367) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	8235.43	9405.37
3,36,751 ( Previous Year 3,54,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	336.75	354.00
4,00,000 ( Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
14,00,000 ( Previous Year Nil) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	1400.00	-
	<b>14984.28</b>	<b>14771.47</b>
<b>Subscribed</b>		
22,65,14,746 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4530.29	4247.17
Amount paid up on 784 (Previous Year Nil) Equity Shares forfeited of ₹2/- each	0.01	-
Nil (Previous Year 1,41,57,220) Equity Shares of ₹2/- Each, ₹1/- called up	-	141.57
82,35,433 ( Previous Year 94,05,367) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	8235.43	9405.37
3,36,751 ( Previous Year 3,54,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	336.75	354.00
4,00,000(Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/-each	400.00	400.00
14,00,000(Previous Year Nil) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	1400.00	-
	<b>14902.48</b>	<b>14548.11</b>
<b>Paid-Up</b>		
22,65,14,746 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4530.29	4247.17
Amount paid up on 784 (Previous Year Nil) Equity Shares forfeited of ₹2/- each	0.01	-
Nil (Previous Year 1,41,57,220) Equity Shares of ₹2/- Each, ₹1/- Paid up {Refer Note 32(a)}	-	141.57
82,35,433 ( Previous Year 94,05,367) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	8235.43	9405.37
3,36,751 ( Previous Year 3,54,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	336.75	354.00
4,00,000(Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/-each	400.00	400.00
14,00,000(Previous Year Nil) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	1400.00	-
	<b>14902.48</b>	<b>14548.11</b>

**Detail of Shareholders holding more than 5% shares:**

Name of Shareholders	As at 31.03.2014		As at 31.03.2013	
	No of Shares	% Held	No of Shares	% Held
<b>(A) Equity Shareholders</b>				
1. Shri Brij Bhushan Singal	45628672	20.14%	45628672	20.14%
2. Shri Neeraj Singal	73105933	32.27%	73105933	32.27%
3. Bhushan Infrastructure Pvt. Ltd.	32431540	14.32%	29486540	13.01%
<b>(B) Preference Shareholders</b>				
1. Bhushan Energy Ltd.	-	-	1200000	11.81%
2. Bhushan Finance Pvt. Ltd.	840000	8.10%	840000	8.27%
3. Robust Transportation Pvt. Ltd.	531567	5.12%	531567	5.23%
4. Shri Neeraj Singal	2491133	24.02%	1204400	11.86%
5. Shri Brij Bhushan Singal	920433	8.87%	707100	6.96%

**Reconciliation of number of shares outstanding is set out below:**

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	Amount (₹ in Lacs)	No of Shares	Amount (₹ in Lacs)
<b>(A) Equity Shares</b>				
At the beginning of the year	226515530	4388.74	212358310	4247.17
Add : Shares Issued - Call received	-	141.56	14157220	141.57
Less: Shares forfeited	784	0.01	-	-
At the end of the year	226514746	4530.29	226515530	4388.74
<b>(B) Preference Shares (Non Convertible Cumulative Redeemable Preference Shares)</b>				
<b>10% Preference Shares</b>				
At the beginning of the year	9405367	9405.37	7795267	7795.27
Add : Shares Issued	723400	723.40	1610100	1610.10
Less: Shares Redeemed	1893334	1893.34	-	-
At the end of the year	8235433	8235.43	9405367	9405.37
<b>4% Preference Shares</b>				
At the beginning of the year	354000	354.00	399000	399.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	17249	17.25	45000	45.00
At the end of the year	336751	336.75	354000	354.00
<b>25% Preference Shares</b>				
At the beginning of the year	400000	400.00	400000	400.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	-	-	-	-
At the end of the year	400000	400.00	400000	400.00
<b>2% Preference Shares</b>				
At the beginning of the year	-	-	-	-
Add : Shares Issued	1400000	1400.00	-	-
Less: Shares Redeemed	-	-	-	-
At the end of the year	1400000	1400.00	-	-

The holders of Equity Shares has one vote for each equity share held by them. The registered holders of Equity Shares are entitled to dividend declared from time to time. The Preference Shareholders are entitled to pro-rata dividend in preference over Equity Shareholders . The dividend is cumulative at the rate specified against each category .

The premium on redemption of preference shares to the extent of premium received on issue will be adjusted against the security premium account and any premium paid over the above said amount shall be paid out of current appropriation / General Reserve.

The Preference Shares are not convertible in Equity and for terms of redemption. (Refer Note 32)

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-3 RESERVES &amp; SURPLUS</b>		
<b>Capital Redemption Reserve:</b>		
At Commencement of the year	-	-
Add : Transferred from surplus	693.34	-
	<b>693.34</b>	<b>-</b>
<b>Capital Reserve:</b>		
At Commencement of the year	27115.85	20696.63
Add : Addition during the year (Refer Note 44)	4390.27	6036.54
Add :On Consolidation/deconsolidation of Subsidiaries (Net)	(6558.26)	382.68
	<b>24947.86</b>	<b>27115.85</b>
<b>Debenture Redemption Reserve :</b>		
At Commencement of the year	41562.50	19350.00
Add : Transferred from surplus	3200.00	26962.50
	44762.50	46312.50
Less : Transferred to General Reserve	-	4750.00
	<b>44762.50</b>	<b>41562.50</b>
<b>Special Reserve :</b>		
At Commencement of the year	59.62	59.59
Add :On Consolidation/deconsolidation of Subsidiaries (Net)	(59.62)	-
Add: Transferred from surplus	-	0.03
	<b>-</b>	<b>59.62</b>
<b>Foreign Currency Translation Reserve:</b>		
At Commencement of the year	(72.93)	(72.93)
Add: Adjustment for Translation of non-integral Foreign operation	-	-
	<b>(72.93)</b>	<b>(72.93)</b>
<b>Securities Premium Reserve:</b>		
At Commencement of the year	338636.12	269451.45
Add : Addition during the Year	51549.07	70264.67
Add :On Consolidation/deconsolidation of Subsidiaries (Net)	(10078.85)	-
Less:Utilised for redemption of Preference shares	49320.66	1080.00
	<b>330785.68</b>	<b>338636.12</b>
<b>General Reserve:</b>		
At Commencement of the year	499350.00	434600.00
Add : Transferred from Surplus	700.00	60000.00
Add : Transferred from Debenture Redemption Reserve	-	4750.00
	<b>500050.00</b>	<b>499350.00</b>
<b>Surplus:</b>		
Opening Balance	1434.67	346.40
Add: Net Profit for the Current Year	5914.37	90694.10
	7349.04	91040.50
<b>Less: Appropriations :</b>		
Proposed Dividend on Equity shares	1132.57	1132.58
Proposed Dividend on Preference Shares	777.99	11.48
Provision For Dividend Tax	324.70	194.43
Interim Dividend	224.69	895.47
Dividend Tax Paid on Interim Dividend	38.19	145.27
Transferred to Capital Redemption Reserve	693.34	-
Transferred to Debenture Redemption Reserve	3200.00	26962.50
Transferred to Special Reserve	-	0.03
Transferred to General Reserve	700.00	60000.00
Premium Paid on Redemption of Preference Shares	168.06	264.07
<b>Net Surplus</b>	<b>89.50</b>	<b>1434.67</b>
	<b>901255.95</b>	<b>908085.83</b>



(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-4 LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Non Convertible Debentures</b> (Foot note 1 to 11)	203000.00	200500.00
<b>Term Loan</b>		
1. From Banks		
- Foreign Currency Loans (Foot note 12)	894119.43	773419.81
- Rupee Loans (Foot note 13)	1788814.40	1288008.33
2. From Financial Institutions		
- Rupee Loans (Foot note 14)	5543.10	6000.00
3. Vehicle Loan From Bank (Foot note 15)	-	11.16
<b>Total (A)</b>	<b>2891476.93</b>	<b>2267939.30</b>
<b>UNSECURED</b>		
<b>Term Loan</b>		
Foreign Currency loans		
- From Indian Banks ( Foot note 16)	-	17919.00
- From Foreign Banks ( Foot note 17)	322.00	42347.35
- From Others	3308.21	847.11
<b>Total (B)</b>	<b>3630.21</b>	<b>61113.46</b>
<b>Total (A+B)</b>	<b>2895107.14</b>	<b>2329052.76</b>
Less: Current Maturity of Long Term Borrowings	338496.97	162631.48
	<b>2556610.17</b>	<b>2166421.28</b>

**Foot Note:**

- (1) 12.00% Redeemable Non-Convertible 250 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹2500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 250 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹2500 Lacs). Debentures are redeemable at par in one bullet payment at the end of 10th year from the date of allotment i.e 31.08.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company offering minimum Fixed Asset Coverage Ratio of 1.25 times during the tenure of debentures and personal guarantee of Shri B.B.Singal & Shri Neeraj Singal.
- (2) 12.50% Redeemable Non-Convertible 2000 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹20000 Lacs (Previous Year ₹NIL) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 30.08.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (3) 12.00% Redeemable Non-Convertible 100 Debentures of ₹100 Lacs each outstanding on 31st March 2014 ₹10000 Lacs (Previous Year 12% Redeemable Non-Convertible Debentures of ₹100 Lacs each outstanding on 31st March 2013 ₹10000 Lacs) (subordinate debt), are redeemable at par in one bullet payment at the end of 10 years and 1 Month from the date of allotment i.e 31.03.2008 and are secured by subsequent and subservient charge by way of hypothecation on the present and future assets of the Company so as to maintain minimum asset coverage of 1.25 times, throughout the currency of the Debentures. Debentures are further secured by pledge of Equity Shares of Bhushan Steel Limited, having market value not less than 1.5 times of loans, held by promoters/promoter entities, and Personal Guarantee of Shri B.B.Singal and Shri Neeraj Singal.
- (4) 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹35000 Lacs (Previous Year 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹35000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 04.01.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (5) 12.00% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹10500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹10500 Lacs) are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 28.03.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (6) 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹30000 Lacs (Previous Year 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹30000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 02.02.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (7) 12.00% Redeemable Non-Convertible 4750 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹47500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 4750 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹47500 Lacs). Debentures are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 31.08.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company offering minimum Fixed Assets Coverage Ratio of 1.25 times during the tenure of debentures and personal guarantee of Shri B.B.Singal and Shri Neeraj Singal.
- (8) 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹30000 Lacs) Debentures are redeemable at par in three equal annual installments commencing from the end of 6th year from the date of allotment i.e 13.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (9) 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹17500 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹17500 Lacs) are redeemable at par in four equal annual installments commencing from the end of 5th year from the date of allotment i.e 26.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (10) 10.20% Redeemable Non-Convertible Nil Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹NIL (Previous Year 10.20%

Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹10000 Lacs) are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 26.03.2007 and are Secured by first charge on pari passu basis on the fixed assets of the Company.

- (11) 11.50% Redeemable Non-Convertible Nil Debentures of ₹10 Lacs each outstanding on 31st March 2014 ₹NIL (Previous Year 11.50% Redeemable Non-Convertible 1500 Debentures of ₹10 Lacs each outstanding on 31st March 2013 ₹7500 Lacs) were secured by subsequent and subservient charge on the movable fixed assets of the Company.
- (12) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders), ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹37933 Lacs (Previous Year ₹49658 Lacs) secured by subsequent & subservient charge on movable assets. Out of the above, the ECA Loans of ₹290449 Lacs (Previous Year ₹261124 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors. Out of these, Loans of ₹874937 Lacs (Previous Year ₹758367 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹19182 Lacs (Previous Year ₹15053 Lacs) are guaranteed by the Personal Guarantee of one Promoter Director.
- (13) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹4700 Lacs (Previous Year ₹36996 Lacs) secured by subsequent & subservient charge on movable assets. Loans of ₹1341416 Lacs (Previous Year ₹786878 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹447398 Lacs (Previous Year ₹501130 Lacs) are guaranteed by the Personal Guarantee of one Promoter Director. Apart from this, Loans of ₹175662 Lacs (Previous year ₹NIL) are also secured by pledge of 26% shares of Bhushan Steel Limited.
- (14) Out of these Loans of ₹3750 Lacs (Previous year ₹6000 Lacs) are Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement and guaranteed by the Personal Guarantee of one Promoter Director. Apart from this Loans of ₹1793 Lacs (Previous year ₹NIL) are secured by subsequent & subservient charge on movable assets.
- (15) Secured by the hypothecation of specific assets.
- (16) Guaranteed by the Personal Guarantee of one Promoter Director.
- (17) Out of these Loans of ₹NIL (Previous Year ₹31487 Lacs) are guaranteed by the Personal Guarantee of two Promoter Directors & Loans of ₹NIL (Previous Year ₹10860 Lacs) are guaranteed by the Personal Guarantee of one Promoter Director.
- Detail of Repayment and Rate of Interest**
- (18) Maturity Profile of Long Term Borrowing (Other than NCDs) are set out as below:

(₹ in Lacs)

	1 year	2-3 Years	Beyond 3 years
Term Loans	338497	569500	1784110

- (19) Domestic Loans sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.00% (presently 12.00% p.a.) and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (20) Foreign Currency Loans for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 0.794% p.a.) repayable in 20 Half Yearly Installments commencing from six Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (21) Domestic Loans sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% (presently 12.50% p.a.) and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (22) Foreign Currency Loans for Phase III of Orissa project was sanctioned at interest rate of EURIBOR+1.50% (Presently 1.944% p.a.) repayable in 20 half yearly installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (23) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% (Presently 4.309% p.a.) repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (24) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of EURIBOR+1.75% (Presently 2.093% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (25) Domestic Loans sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest of Base Rate+2.50% (Presently 12.00% p.a.) and repayable in 24 quarterly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (26) Foreign Currency Loans for Coke Oven 2 of Orissa Project was sanctioned at interest rate of EURIBOR + 4.50% (Presently 4.9562% p.a.) repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (27) Other Foreign Currency Loan for Orissa Project was sanctioned at rate of interest of USD LIBOR+3.50% (Presently 3.9459% p.a.) repayable in three annual installments commencing from 48 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (28) Domestic Loans sanctioned for CRCA & CRNGO Project of Orissa project was sanctioned at rate of interest of Base Rate+2.25% (Presently 12.25% p.a.) and repayable in 24 quarterly installments commencing from 12 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (29) Domestic Loans sanctioned for Addition, Modification & Replacement Project at Orissa Site was sanctioned at rate of interest of Base Rate+TP+1.25% (Presently 12.00% p.a.) and repayable in 32 quarterly installments commencing from 3 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (30) Domestic Loans sanctioned for shoring up of Net Working Capital / Normal Capital Expenditure was sanctioned at rate of interest of Base Rate+2.50% (Presently 12.50% p.a.) and repayable in 40 quarterly installments commencing from 30th June 2016 as per terms stipulated in respective loan/facility agreement/s.
- (31) Rate of interests of other Term Loans/Foreign Currency Loans are linked with the Base Rate / LIBOR of the respective lenders.

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-5 DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	138649.31	135174.97
<b>Total (A)</b>	<b>138649.31</b>	<b>135174.97</b>
<b>Deferred Tax Assets</b>		
Provision of Doubtful Debts	442.36	332.29
Others	687.73	564.62
<b>Total (B)</b>	<b>1130.09</b>	<b>896.91</b>
<b>Total (A-B)</b>	<b>137519.22</b>	<b>134278.06</b>
<b>NOTE-6 OTHER LONG TERM LIABILITIES</b>		
Liability for Capital Goods / Expenditure	214938.65	205913.31
Security Deposit Received from Customers	90.25	10916.25
Others*	1662.55	1653.17
<b>Total</b>	<b>216691.45</b>	<b>218482.73</b>
* Others include Insurance claim received, security deposit received and amount hold from contractors.		
<b>NOTE-7 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	1.64	1.48
<b>Total</b>	<b>1.64</b>	<b>1.48</b>
<b>NOTE-8 SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
Working Capital Loans		
<b>From Banks</b>		
Cash Credit		
- Foreign Currency Loans (Foot note 1)	83660.33	75854.66
- Rupee Loans (Foot note 1)	495377.09	311653.03
<b>Term Loan</b>		
From Banks		
- Rupee Loans/Commercial Paper (Foot note 2)	34450.00	39999.78
- Foreign Currency Loans (Foot note 3)	-	14879.68
<b>Total (A)</b>	<b>613487.42</b>	<b>442387.15</b>
<b>UNSECURED</b>		
<b>From Bank</b>		
<b>Rupee Loan</b>		
-Term Loan / Commercial Paper (Foot note 4)	13820.00	68031.75
<b>Foreign Currency Loans</b>		
- From Indian Banks (Foot note 5)	-	12867.49
<b>Total (B)</b>	<b>13820.00</b>	<b>80899.24</b>
<b>Total (A+B)</b>	<b>627307.42</b>	<b>523286.39</b>

**Foot Note :**

- (1) Working Capital Loans are secured by hypothecation of stock & book debts, second charge on company's land, building and other immovable properties ranking pari passu inter-se and personal guarantee of two promoter directors.
- (2) Including Commercial Papers ₹2500 Lacs (Previous Year ₹Nil) personally guaranteed by two promoter directors. Apart from these other loans are secured by Subsequent and subservient charge on movable assets of the company. Out of these (other than commercial papers) Loans of ₹NIL (Previous Year ₹15000 Lacs) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹31950 Lacs (previous year ₹25000 Lacs) are guaranteed by the personal guarantee of one promoter director.
- (3) Secured by Subsequent and subservient charge on movable assets of the company. Out of these Loans of ₹NIL (Previous Year ₹9990 Lacs) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹NIL (Previous year ₹4890 Lacs) are guaranteed by the personal guarantee of one promoter director.
- (4) Including Commercial Papers ₹Nil (Previous Year ₹63000 Lacs) personally guaranteed by two promoter directors. Apart from these Loans of ₹NIL (Previous Year ₹5032 Lacs) were personally guaranteed by one promoter director.
- (5) ₹NIL (Previous Year ₹10860 lacs) guaranteed by the personal guarantee of one promoter director.

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-9 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	483.47	237.49
Others	234742.02	162944.84
	<b>235225.49</b>	<b>163182.33</b>
The detail of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:		
<b>Particulars</b>		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
<b>NOTE-10 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	338496.97	162631.48
Interest Accrued but not Due on borrowings	48518.55	22458.12
Unclaimed Dividend *	113.46	29.84
Statutory Dues	6636.02	5688.46
Due to Directors	21.25	12.32
Due to Officers	1.90	-
Liability for Capital Goods / Expenditure**	10408.53	12132.10
Other Payables***	9692.77	7560.04
	<b>413889.45</b>	<b>210512.36</b>
* Do not include any amounts, due and outstanding, to be credited to Investors' Education and Protection Fund.		
** Includes ₹17.37 Lacs an account of Micro, Small & Medium Enterprises.		
*** Includes calls received in advance on right issue ₹Nil (Previous Year ₹5.86 Lacs), credit balances of customers, employees etc.		
<b>NOTE-11 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	2023.45	1740.38
Proposed Dividend	1910.56	1144.06
Tax on Dividend	341.81	339.70
Provision For Tax (Net)	-	4367.94
	<b>4275.82</b>	<b>7592.08</b>

**NOTE-12 FIXED ASSETS**

(₹ in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	Cost as at 01.04.2013	Addition During the Year	Sale/ Dis-carded During the Year	Adjustment During the Year	Cost as at 31.03.2014	As at 01.04.2013	During the Year	Written Back During the Year	Adjustment During the Year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>												
Freehold Land	21498.13	993.78	-	-	22491.91	-	-	-	-	-	22491.91	21498.13
Leasehold Land	17191.83	1690.68	-	-	18882.51	181.87	14.67	-	-	196.54	18685.97	17009.96
Building	493274.43	81427.17	-	30692.87	605394.47	33897.36	13659.11	-	498.80	47057.67	558336.80	459377.07
Railway Siding	50899.25	28337.86	-	12362.93	91600.04	2493.44	2428.31	-	-	4921.75	86678.29	48405.81
Plant & Equipment	1548753.34	214311.26	2422.95	99551.75	1860193.40	284197.10	80715.14	1884.73	447.97	362579.54	1497613.86	1264556.24
Furniture & Fixtures	1798.92	86.38	-	-	1885.30	1023.14	84.41	-	-	1107.55	777.75	775.78
Vehicles	5667.73	216.95	180.83	-	5703.85	3025.01	462.93	138.54	-	3349.40	2354.45	2642.72
Office Equipments	850.41	93.52	0.14	-	943.79	348.91	49.81	0.04	-	398.68	545.11	501.50
<b>Tangible Assets Total (A)</b>	<b>2139934.04</b>	<b>327157.60</b>	<b>2603.92</b>	<b>142607.55</b>	<b>2607095.27</b>	<b>325166.83</b>	<b>97414.38</b>	<b>2023.31</b>	<b>946.77</b>	<b>419611.13</b>	<b>2187484.14</b>	<b>1814767.21</b>
<b>Intangible Assets</b>												
Computer Software	685.73	62.27	-	-	748.00	569.89	87.71	-	-	657.60	90.40	115.84
Assets Not Owned by Company	3756.48	271.37	-	-	4027.85	3756.48	271.37	-	-	4027.85	-	-
<b>Intangible Assets Total (B)</b>	<b>4442.21</b>	<b>333.64</b>	<b>-</b>	<b>-</b>	<b>4775.85</b>	<b>4326.37</b>	<b>359.08</b>	<b>-</b>	<b>-</b>	<b>4685.45</b>	<b>90.40</b>	<b>115.84</b>
<b>TOTAL (A+B)</b>	<b>2144376.25</b>	<b>327491.24</b>	<b>2603.92</b>	<b>142607.55</b>	<b>2611871.12</b>	<b>329493.20</b>	<b>97773.46</b>	<b>2023.31</b>	<b>946.77</b>	<b>424296.58</b>	<b>2187574.54</b>	<b>1814883.05</b>
Previous Year	1820336.38	262641.20	1136.37	62535.04	2144376.25	246944.85	83891.77	1076.39	267.03	329493.20		
Capital Work in Progress [Includes Pre-operative expenses]											1659052.82	1284812.25
<b>GRAND TOTAL</b>											<b>3846627.36</b>	<b>3099695.30</b>

**Notes:**

1. Certain Building Under Possession of the Company are pending registration in the name of the Company.
2. No write off has been done for lease hold land acquired on lease of 90 years and more.
3. Depreciation for the year includes ₹1377.05 Lacs (Previous Year ₹805.58 Lacs) charged to Capital Work In Progress.
4. Adjustment during the year includes addition of ₹143554.32 Lacs (Previous Year ₹62802.07 Lacs) on account of borrowing cost / exchange fluctuation and deduction of ₹946.77 Lacs (Previous Year ₹267.03 Lacs) on account of depreciation capitalised.

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-13 NON CURRENT INVESTMENTS</b>		
<b>(Long-Term, Fully Paid Up)</b>		
<b>In Equity Shares</b>		
<b>Non Trade, Quoted</b>		
<b>Tata Steel Ltd.</b>		
13,500 (Previous Year 13,500) Equity Shares of ₹10/- each	58.08	58.08
<b>Rocklands Rich Fields Ltd.</b>		
2,000 (Previous Year 2,000) Ordinary Shares of AUD 0.20 each	0.21	0.21
<b>Ankur Commercial Ltd.</b>		
Nil (Previous Year 3,00,000) Equity Shares of ₹10/- each	-	9.16
<b>Nageshwar Investment Ltd.</b>		
Nil (Previous Year 6,95,000) Equity Shares of ₹10/- each	-	14.40
<b>Asahi Infrastructure and Project Ltd.</b>		
Nil (Previous Year 69,953) Equity Shares of ₹10/- each	-	56.58
	<b>58.29</b>	<b>138.43</b>
<b>In Preference Shares</b>		
<b>Non Trade, Quoted</b>		
<b>Essar Steel Ltd.</b>		
Nil (Previous Year 150) 0.01% Redeemable Cumulative Pref Share of ₹10/- each	-	0.01
	<b>-</b>	<b>0.01</b>

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>In Equity Shares</b>		
<b>Unquoted</b>		
<b>Bhushan Buildwell Pvt. Ltd.</b>		
4,900 (Previous Year 4,900) Equity Shares of ₹10/- each	0.49	0.49
<b>Sukhna Steel Pvt. Ltd.</b>		
Nil (Previous Year 3,42,000) Equity Shares of ₹10/- each	-	37.09
<b>Noraza Estates Pvt. Ltd.</b>		
Nil (Previous Year 12,000) Equity Shares of ₹10/- each	-	173.24
<b>Bohea Properties Ltd.</b>		
Nil (Previous Year 10,000) Equity Shares of ₹10/- each	-	163.40
<b>Shriraj Investments &amp; Finance Pvt. Ltd.</b>		
Nil (Previous Year 2,20,000) Equity Shares of ₹10/- each	-	220.00
<b>Aayushi Credit &amp; Capital Pvt. Ltd.</b>		
Nil (Previous Year 2,05,000) Equity Shares of ₹10/- each	-	205.00
<b>Savroli Finvest Ltd.</b>		
Nil (Previous Year 7,07,310) Equity Shares of ₹10/- each	-	785.90
<b>Nifan Finvest Ltd.</b>		
Nil (Previous Year 7,12,500) Equity Shares of ₹10/- each	-	750.00
<b>Meramandali Finvest Ltd.</b>		
Nil (Previous Year 3,75,000) Equity Shares of ₹10/- each	-	750.00
<b>Dhenkanal Finvest Ltd.</b>		
Nil (Previous Year 3,50,000) Equity Shares of ₹10/- each	-	700.00
<b>Tremendous Mining &amp; Minerals Pvt. Ltd.</b>		
Nil (Previous Year 25,00,000) Equity Shares of ₹10/- each	-	5000.00
<b>Sur Buildcon Pvt. Ltd.</b>		
Nil (Previous Year 25,00,000) Equity Shares of ₹10/- each	-	5000.00
<b>Trackcasting India Pvt. Ltd.</b>		
Nil (Previous Year 10,00,000) Equity Shares of ₹10/- each	-	2000.00
<b>Superstar Agency Pvt. Ltd.</b>		
Nil (Previous Year 5,40,000) Equity Shares of ₹10/- each	-	1350.00
<b>Saraswat Co-operative Bank Ltd.</b>		
2,500 (Previous Year 2,500) Equity Shares of ₹10/- each	0.25	0.25
	<b>0.74</b>	<b>17135.37</b>
<b>In Preference Shares</b>		
<b>Unquoted</b>		
<b>Bhushan Infrastructure Pvt. Ltd.</b>		
Nil (Previous Year 33,50,000) 10% Redeemable Non Cumulative Preference Share of ₹100/- Each	-	6703.32
	-	<b>6703.32</b>
<b>TRADE</b>		
<b>UNQUOTED</b>		
<b>In Associates</b>		
<b>Bhushan Energy Ltd.</b>		
{including Goodwill of ₹570.33 Lacs (Previous Year ₹Nil)}	35000.00	10500.00
6,50,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹10/- each		
Add: Share of Post Acquisition Profit	353.05	314.53
	<b>35353.05</b>	<b>10814.53</b>
<b>Angul Sukinda Railway Ltd.</b>		
8,40,00,000 (Previous Year 8,40,00,000) Equity Shares of ₹10/- Each Paid up @ ₹1.19 Each	1000.00	1000.00
<b>Jawahar Credit &amp; Holdings Private Limited</b>		
{including Capital Reserve of ₹3004.95 Lacs (Previous Year ₹Nil)}	940.31	-
86,43,742 (Previous Year Nil) Equity Shares of ₹10/- each		
Add: Share of Post Acquisition Profit	(0.37)	-
	<b>939.94</b>	-

(₹ in Lacs)

	As at 31.03.2014		As at 31.03.2013	
<b>Bhushan Capital &amp; Credit Services Private Limited</b>				
{including Capital Reserve of ₹2640.15 Lacs (Previous Year ₹Nil)} 86,43,742 (Previous Year Nil) Equity Shares of ₹10/- each	940.31		-	
Add: Share of Post Acquisition Profit	(0.28)		-	
	<b>940.03</b>		-	
	<b>38233.02</b>		<b>11814.53</b>	
<b>In Others</b>				
<b>Bhushan Steel Bengal Ltd.</b>				
5,00,000 (Previous Year Nil) Equity Shares of ₹10/- each	5.00		-	
	<b>5.00</b>		-	
		38297.05		35791.66
		<b>38297.05</b>		<b>35791.66</b>
<b>Aggregate Value of</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Quoted Investments	58.29	53.38	138.44	66.94
Unquoted Investments	38238.76	-	35653.22	-

**NOTE-14 LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Advance For Capital Goods		83665.98		159580.08
Security Deposits		10633.23		10357.84
Advances for Non Current Investment		-		1445.00
Loans to Employees		216.41		294.89
MAT Recoverable		80605.59		78607.32
Advance Tax (Net)		1630.60		-
Excise Duty Recoverable / Service Tax Recoverable		2118.46		2421.28
Other Advances *		1476.75		1679.78
		<b>180347.02</b>		<b>254386.19</b>

\*Other Advances Include Advance Recoverable from Sales Tax Department etc.

**NOTE-15 OTHER NON CURRENT ASSETS**

**Cash and Bank Balances**

Non Current Fixed Deposits (Refer Note-19)		-		2140.14
		-		<b>2140.14</b>

**NOTE-16 CURRENT INVESTMENTS**

**QUOTED (FULLY PAID)**

**Vector Resources Ltd.**

8,55,000 (Previous Year 8,55,000) shares of AUD 0.20 each		9.46		12.67
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**UNQUOTED (FULLY PAID)**

**Indusind Bank Ltd.**

Nil (Previous Year 250) Redeemable Non Convertible Bonds of ₹10,00,000/- each		-		2475.00
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		<b>9.46</b>		<b>2487.67</b>
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	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Aggregate Value of Quoted Investments	9.46	9.46	12.67	12.67
Unquoted Investments	-	-	2475.00	-



(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE-17 INVENTORIES</b>		
(At Lower of Cost and Net Realisable Value)		
Raw Material	61984.68	87498.06
Raw Material In Transit	382347.72	295643.24
Finished Goods	46088.27	64948.09
Finished Goods In Transit	6563.48	7229.69
Work-in-Progress	67612.35	59569.30
Work-in-Progress In Transit	14016.52	-
Stores	65471.09	36742.84
Others	3940.81	4336.33
	<b>648024.92</b>	<b>555967.55</b>
<b>NOTE-18 TRADE RECEIVABLES</b>		
(Unsecured )		
More than Six Months		
- Considered Good	2842.19	1816.21
- Considered Doubtful	1301.44	1024.15
	<b>4143.63</b>	<b>2840.36</b>
Less: Provision	1301.44	1024.15
	<b>2842.19</b>	<b>1816.21</b>
Others - Considered Good	243602.73	232494.76
	<b>246444.92</b>	<b>234310.97</b>
<b>NOTE-19 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
- In Current Account	4925.08	12519.17
- In Unpaid Dividend Account	13.46	29.84
Fixed Deposit having maturity period within 3 months*	500.00	953.74
Cash on Hand	90.41	85.26
<b>Others</b>		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	2274.59	2140.14
- 3 to 12 Months *	694.86	2810.42
	<b>8498.40</b>	<b>18538.57</b>
Less : Non Current Fixed Deposits	-	2140.14
	<b>8498.40</b>	<b>16398.43</b>
*(Including interest accrued but not due)		
*{Including ₹2958.94 Lacs (Previous Year ₹3809.80 Lacs) under bank lien}		
<b>NOTE-20 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans to Employees	709.40	751.76
Security Deposits	112.48	194.63
Balance with Excise Department	47.34	1237.68
Excise Duty / Service Tax Recoverable	35037.54	42496.39
Inter Corporate Deposits (Including Interest Accrued)	4371.59	3143.00
Other Advances*	102386.58	104986.90
	<b>142664.93</b>	<b>152810.36</b>
*Other advances include amount recoverable from Sales Tax Department, advance to suppliers etc.		
<b>NOTE-21 OTHER CURRENT ASSETS</b>		
Fixed Assets held for Disposal	96.04	-
	<b>96.04</b>	-

(₹ in Lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>NOTE-22 REVENUE FROM OPERATIONS</b>		
<b>Sales of Products</b>	1017242.36	1133634.45
<b>Other Operating Revenue</b>		
Other Sale	34846.19	38521.53
Export Incentives	7954.35	7845.87
	<b>1060042.90</b>	<b>1180001.85</b>
<b>NOTE-23 OTHER INCOME</b>		
Profit on Sale of Current Investments	37.44	60.55
Profit on Sale of Long Term Investments	-	19.39
Interest Earned*		
-From Short Term Investments	19.85	258.75
-From Bank on FDRs	465.03	457.24
-From Others	2244.48	694.28
Dividend:		
-From Long Term Non - Trade Investments	2.73	0.05
Profit on Sale of Fixed Assets (Net)	-	177.29
Miscellaneous Income**	142.48	69.60
	<b>2912.01</b>	<b>1737.15</b>
* Including Income Tax Deducted at Source ₹325.38 Lacs (Previous Year ₹185.12 Lacs) and Excluding Interest earned ₹419.69 Lacs (Previous Year ₹268.76 Lacs) transferred to projects.		
** Including Income Tax Deducted at source ₹0.91 Lacs (Previous Year ₹0.20 Lacs) and Excluding Provision Written Back ₹Nil (Previous Year ₹368.53 Lacs) transferred to projects.		
<b>NOTE-24 COST OF RAW MATERIAL CONSUMED</b>		
Cost of Raw Material Consumed	522933.51	584619.48
Less : Cost of Raw Material Transferred to Project / Internal Use	3994.18	4755.33
	<b>518939.33</b>	<b>579864.15</b>
<b>NOTE-25 COST OF PURCHASE GOODS TRADED</b>		
Cost of Purchase Goods Traded	3905.20	8118.55
	<b>3905.20</b>	<b>8118.55</b>
<b>NOTE-26 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK- IN -PROGRESS AND STOCK IN TRADE</b>		
<b>Inventories (at close)</b>		
Finished Goods	52651.75	72177.78
Work-in-Progress	81628.87	59569.30
Others	3940.81	4336.33
	<b>138221.43</b>	<b>136083.41</b>
<b>Inventories (at beginning)</b>		
Finished Goods	72177.78	65468.50
Work-in-Progress	59569.30	58917.65
Others	4336.33	1113.59
	<b>136083.41</b>	<b>125499.74</b>
Net (Increase)/Decrease in Stock	<b>(2138.02)</b>	<b>(10583.67)</b>
<b>NOTE-27 EMPLOYEE BENEFITS EXPENSE</b>		
Salary,Wages & Bonus	28275.41	26626.15
Contribution to P.F. and Other Funds	440.34	540.41
Staff Benefits	395.10	411.60
	<b>29110.85</b>	<b>27578.16</b>
Less : Expenses Transferred to Project Under Commissioning / Pre Operative Expenses	10258.14	10232.75
	<b>18852.71</b>	<b>17345.41</b>

(₹ in Lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>NOTE-28 FINANCE COSTS</b>		
Interest Expenses	308790.89	243469.46
Interest Paid on Income Tax	755.01	-
Other Financial Cost	22508.83	13641.90
Applicable loss on foreign currency transactions and translation	8313.13	17772.22
	<b>340367.86</b>	<b>274883.58</b>
Less: Borrowing cost transferred to Project Under Commissioning / Trial Run	174038.14	146138.90
	<b>166329.72</b>	<b>128744.68</b>
<b>NOTE-29 OTHER EXPENSE</b>		
Stores Consumed	27060.75	26385.17
Packing Material Consumed	4380.83	4288.23
Power & Fuel	90298.90	85485.12
Repairs & Maintenance		
- Plant & Machinery	2918.65	2126.54
- Buildings	197.71	179.93
Exchange Fluctuation (Net)	3036.38	783.40
Excise Duty #	(1739.71)	872.40
Rates & Taxes	3678.46	2210.49
Administrative Expenses	43760.65	47570.94
Legal & Professional Expenses	936.04	956.62
Rent	630.70	774.78
Insurance	2468.64	1563.24
Auditors' Remuneration	189.65	185.02
Diminution in the value of investment	3.21	40.09
Write down of Tenements	277.68	644.19
Selling & Distribution Expenses	25827.30	27023.41
Commission to Selling Agents	675.03	858.38
Loss on Sale of Fixed Assets (Net)	84.29	-
Capital Advances / CWIP Written off	27.25	-
Bad Debts Written off	91.62	-
Provision for Doubtful Debts	277.29	70.18
	<b>205081.32</b>	<b>202018.13</b>
Less: Transfer to Project under Commissioning Pre-operative Expenses / Trial Run Expenses (Net)	46038.45	53373.95
	<b>159042.87</b>	<b>148644.18</b>

# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock of finished goods.

	(₹ in Lacs)	
	Current Year	Previous Year
<b>NOTE - 30</b>		
<b>1. Contingent Liabilities in respect of :</b>		
(a) Sales Tax	20626.34	3629.42
(b) Excise Duty/Service Tax/Custom	33524.86	26114.04
(c) Entry Tax	26506.22	17285.93
(d) Income Tax	6115.58	40.90
(e) Bills Discounted	14413.38	18225.71
(f) Others	4956.54	2917.44
<b>2. Capital Commitment</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹188503.54 Lacs ( Previous Year ₹308986.64 Lacs) (Net of Advances).		
<b>3. Other Commitment</b>		
a)	Outstanding guarantees issued by the banks ₹374678.73 Lacs (Previous Year ₹69723.31 Lacs) counter guaranteed by the company including letter of credits issued.	
b)	Commitment for partly paid equity shares of Angul Sukinda Railway Limited, an associate company ₹7400.00 Lacs (Previous Year ₹7400.00 Lacs).	

**NOTE : 31**

There is no present obligation arising from past events requiring provision in accordance with the guiding principle as enunciated in Accounting Standard (AS)- 29, as it is not probable that an outflow of resources embodying economic benefit will be required.

**NOTE : 32**

a) In terms of letter of offer dated January 9, 2013 the company had during the year 2012-13 allotted 14157220 Equity shares of ₹2/- each at a premium of ₹333/- per share which were partly paid-up to the extent of ₹167.50 (comprising ₹1/- per Equity Share towards share capital and ₹166.50 per Equity Share as share premium) on Right basis in the ratio of 1 share for every 15 shares held by the shareholders.

The Company has during the year received ₹167.50 per Equity Share (comprising ₹1/- per Equity Share towards share capital and ₹166.50 per Equity Share as share premium) on account of first and final call money on 14156436 Equity Shares and 784 Equity Shares have been forfeited for non payment of First & Final Call Money. The new allotted shares rank pari passu in all respect with the existing Equity shares of the Company. The proceeds from Right Issue have been utilized for repayment of indebtedness and General Corporate purpose as per the object of the Right Issue.

b) 10% 723400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on the expiry of ten years from the date of allotment.

- c) 10% 1276700 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2012-13 on private placement basis against the share application money received during the financial year 2011-12 amounting to ₹38301.00 Lacs. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 1st March, 2013.
- d) 10% 333400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2012-13 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 25th March, 2013.
- e) 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2011-12 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal installments at the end of 3rd and 4th year i.e. on 4th March, 2015 and 4th March, 2016 respectively.
- f) 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012.
- g) 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/- before the expiry of ten years from the date of allotment i.e. 30th March, 2012. During the Year 1200000 Preference Shares have been redeemed at a premium of ₹2400/- per share.
- h) 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-11 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 1500300 shares. During the Year 560067 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- i) 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 1334800 and 2333500 shares respectively. During the Year 133267 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- j) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The preference shares are redeemable at a price that shall give aggregate yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e. 28th March, 2011 in such trenches as stipulated in the subscription agreement.
- k) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The Preference Shares shall be redeemed at an amount in INR, such that the subscribers get yield of 14% per annum on the amount outstanding within 36 Months from the date of allotment, i.e. 29th March, 2011

in such trenches as stipulated in the subscription agreement. The same has been further extended for three months i.e. upto 29th June, 2014. During the year 17249 (Previous Year 45000) Preference Shares have been redeemed at a premium of ₹3374.34 (Previous Year ₹2986.825) per share.

- l) 2% 1400000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹600/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹500/- per share on the expiry of ten years from the date of allotment.

**NOTE – 33**

- a) The Company has during the year commissioned Narrow Cold Rolling Mill, Mill two of API Plant, 32 MW Power Plant and other ancillary equipments and discarded the Wire Rod Mill.
- b) On November 13, 2013 an explosion occurred in the slag pit during trial run of the 2nd Blast Furnace in the plant situated at Meramandali, Orissa. Due to which the operation of the Blast Furnace remain suspended resulting in loss of production and consequential loss to the Company. The Blast Furnace, Sinter Plant, Oxygen Plant, Caster, Basic Oxygen Furnace and other ancillary equipments has been put to use on 5th May, 2014.

**NOTE – 34**

Un-audited financial statements of Andal East Coal Company Pvt. Ltd., (Joint Venture), Bowen Energy PTY Ltd., Bhushan Steel (Australia) PTY Ltd., Bhushan Steel Bengal Ltd., Parakeet Finvest Pvt. Ltd., Marsh Capital Services Pvt. Ltd., Paragon Securities Pvt. Ltd., and Perpetual Securities Pvt. Ltd., (Subsidiaries) have been considered for consolidation.

During the Year the Financial statement of Angul Sukinda Railway Ltd., an associate company, has not been consolidated due to non availability of financial statement.

The consolidated financial statement of Bowen Energy PTY Ltd. and its subsidiaries has been consolidated as certified by the management to be in compliance with the applicable Indian Accounting Standards and relevant provisions of the Companies Act, 1956.

**NOTE – 35**

The Bowen Energy PTY Ltd, a foreign subsidiary has been reclassified during the financial year 2012-13 as an integral foreign operation. As required by Accounting Standard (AS)-11, the translated amounts for non-monetary item as at 1st April, 2012 are treated as the historical cost for those items. Exchange differences which have been deferred are not recognised as income or expenses.

**NOTE – 36**

The Company has made investment of ₹1000.00 Lacs in Equity Shares of Angul Sukinda Railway Limited for the construction of Rail line between Talcher Road in Angul District to Bhaguapal in Jajpur along with other parties. As the project has not made any headway the Company refused to pay the call money of ₹1540.00 Lacs plus interest. Angul Sukinda Railway Limited has issued final call notice for payment of unpaid call money failing which the shares are liable to be forfeited. The Company has disputed the call money which in its opinion is premature, illegal and arbitrary and has advised to withdraw said notice. Hence, no effect of the same has been taken into books of account. The company however proposes to go for arbitration and hopes to recover back the amount, hence no impairment in the value of shares has been considered.

In view of above said dispute the Company has not received the financial statement and other details / informed for the year ended 31st March 2014 and accordingly the same could not be consolidated.

**NOTE – 37**

The effect of disposal of subsidiaries on the financial position and the results as included in consolidated financial statements for the year ended on 31st March, 2014 are given below:

	(₹ in Lacs)
	<b>Disposal</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Shareholders' Funds</b>	
Share Capital	4476.75
Reserves & Surplus	22758.68
<b>Share Application Money Pending Allotment</b>	86.00
<b>Current Liabilities</b>	
Trade Payables	2.02
Other Current Liabilities	373.84
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Non-Current Investments	26113.89
Long Term Loans & Advances	1451.58
Deferred Tax Assets	0.03
<b>Current Assets</b>	
Trade Receivables	0.01
Cash & Bank Balances	100.78
Short Term Loans & Advances	31.00
<b>INCOME</b>	
Gross Revenue	-
Other Income	-
<b>EXPENSES</b>	
Other Expenses	1.31
Profit / (Loss) for the period	(1.31)

**NOTE : 38**

The Company hold 90.90% (Previous Year 89.95%) share in Bhushan Steel (Australia) Pty Ltd. Bhushan Steel (Australia) Pty Ltd. hold 100.00 % (Previous Year 100.00.%) share in Bowen Energy Limited. Bhushan Steel (Australia) Pty Ltd. has invested the amount in Bowen Energy Ltd. out of the proceeds received from its Holding Company (i.e. Bhushan Steel Limited) which are being utilized by Bowen Energy Ltd. in exploration of mines.

**In Notes to Accounts on the Consolidated Financial Statements of subsidiary M/s Bowen Energy PTY Ltd.(Australia), following notes have been given involving material items:**

"The Consolidated entity has recorded a loss of \$ 3,245,854 for the year ended 30 June 2013 (2012: \$1,687,619) has cash outflows from operations of \$1,389,919 (2012: \$399,999), current liabilities of the Consolidated entity exceeded current assets by \$8,350,357 (2012:\$ 6,197,029) and the Consolidated entity is also in a net liability position of \$4,423,581 (2012:\$ 1,165,594).

To ensure the ongoing viability of the consolidated entity the directors have negotiated a \$10m loan facility with Bhushan Steel (Australia) Pty Limited a wholly owned subsidiary of Bhushan Steel Limited, the parent entity of Bowen Energy Limited. At the reporting date the consolidated entity

had drawn down \$6.9m of this loan. The Directors believe that taking into consideration the minimum required expenditure to maintain title to existing exploration licences, current levels of administrative expenditure, the available loan facility, assuming funding is made available under the terms and conditions of the loan, will be sufficient to ensure that the Consolidated entity is able to settle its liabilities as they fall due in the ordinary course of business. Bhushan Steel (Australia) Pty Limited has also agreed not to recall payment of the loan payable by the consolidated entity until such time the consolidated entity has surplus cash. On this basis the financial report has been prepared on the going concern basis".

The loss, including impairment loss, shown in Balance Sheet of the Bowen Energy Ltd., Australia as mentioned in the above note, consist mainly expenditure incurred by the Company on exploration activity of its various mines which are still not operational, however, in accordance with generally accepted accounting principles in India, the same has been treated as Capital work in progress.

In the opinion of the company's management, the note given by the auditors of Bowen Energy Ltd., Australia is not applicable as loss, other than tenements written off, has been capitalized to CWIP in the consolidated Balance Sheet of Bhushan Steel Ltd as per generally accepted accounting principles in India.

**NOTE-39**

**As Per Accounting Standard (AS)-18, the disclosure of transaction with related parties as defined in the Accounting Standard are given below:**

**(I) List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

**a) Associates**

Angul Sukinda Railway Ltd.  
Bhushan Energy Ltd.  
Bhushan Capital & Credit Services Pvt. Ltd. (from 30.09.2013)  
Jawahar Credit & Holdings Pvt. Ltd. (from 30.09.2013)

**b) Key Management Personnel**

Shri Neeraj Singal (Vice Chairman & Managing Director)  
Shri Nittin Johari (Whole time Director)  
Shri P.K. Aggarwal (Whole time Director)  
Shri Rahul Sengupta (Whole time Director)

**c) Relatives of Key Management Personnel**

Shri B.B. Singal (Chairman & Father of Vice Chairman & Managing Director)  
Smt. Ritu Singal (Wife of Vice Chairman & Managing Director)  
Brij Bhushan Singal (HUF)

**d) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**

Arshiya International Ltd.  
Bhushan Aviation Ltd.  
Bhushan Infrastructure Pvt. Ltd.

**(II) Transactions Carried out with related parties referred in (I) above, in ordinary course of business:**

(₹ in Lacs)

PARTICULARS						Grand Total
	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence		
Remuneration and Perks	Current Year	-	358.63	42.96	-	401.59
	Previous Year	-	327.85	36.07	-	363.92
Directors Sitting Fees	Current Year	-	-	7.25	-	7.25
	Previous Year	-	-	7.65	-	7.65
Investments in Share Capital/Share Application Money	Current Year	24500.00	-	-	-	24500.00
	Previous Year	-	-	-	-	-
Allotment of Shares and Share Application Money Pending Allotment	Current Year	-	28823.47	20754.21	3086.87	52664.55
	Previous Year	-	11921.47	7554.21	3086.87	22562.55
Redemption of Preference Share Capital	Current Year	30000.00	11900.01	6800.01	2100.00	50800.02
	Previous Year	-	-	-	-	-
Purchase of Goods/ Services	Current Year	35149.73	-	-	5040.12	40189.85
	Previous Year	62308.32	-	-	9961.60	72269.92
Sales of Goods/ Services	Current Year	2650.28	-	-	-	2650.28
	Previous Year	9859.45	-	-	-	9859.45
Rent Received	Current Year	-	-	-	0.70	0.70
	Previous Year	-	-	-	1.20	1.20
<b>Outstanding</b>						
Receivable	Current Year	-	-	-	150.77	150.77
	Previous Year	-	-	-	67.51	67.51
Payable	Current Year	3085.71	21.25	-	-	3106.96
	Previous Year	2238.30	12.32	-	161.29	2411.91

**Disclosure in Respect of Material Related Party Transaction during the year :**

- Remuneration & Perks include payment to Shri Neeraj Singal ₹143.25 Lacs (Pre. Year ₹140.56 Lacs), Shri P.K.Aggarwal ₹59.07 Lacs (Pre. Year ₹50.49 Lacs), Shri Nittin Johari ₹97.16 Lacs (Pre. Year ₹86.40 Lacs), Shri Rahul Sengupta ₹59.15 Lacs (Pre. Year ₹50.40 Lacs) and Smt Ritu Singal ₹42.96 Lacs (Pre. Year ₹36.07 Lacs).
- Directors sitting fees is paid to Shri B.B.Singal ₹7.25 Lacs (Pre. Year ₹7.65 Lacs )
- Investment in Share Capital / Share Application Money include Bhushan Energy Limited ₹24500.00 Lacs (Pre. Year ₹Nil).
- Equity Share Capital received from Shri. Neeraj Singal ₹11921.47 Lacs (Pre. Year ₹11921.47 Lacs), Shri. Brij Bhushan Singal ₹6818.16 Lacs (Pre. Year ₹6818.16 Lacs), Smt. Ritu Singal ₹734.94 Lacs (Pre. Year ₹734.94 Lacs), Brij Bhushan Singal (HUF) ₹1.11 Lacs (Pre. Year ₹1.11 Lacs) and Bhushan Infrastructure Pvt. Ltd. ₹3086.87 Lacs (Pre. Year ₹3086.87 Lacs) and Preference Share Capital received from Shri Brij Bhushan Singal ₹13200.00 Lacs (Pre. Year ₹Nil) and Shri Neeraj Singal ₹16902.00 Lacs (Pre. Year ₹Nil).
- Redemption of Preference Share Capital includes Bhushan Energy Limited ₹30000.00 Lacs (Pre. Year ₹Nil), Shri Neeraj Singal ₹11900.01 (Pre. Year ₹Nil), Shri Brij Bhushan Singal ₹6800.01 Lacs (Pre. Year ₹Nil) and Bhushan Infrastructure Private Limited ₹2100.00 Lacs (Pre. Year ₹Nil).
- Purchase of Goods/Services is from Arshiya International Ltd. ₹3528.12 Lacs (Pre. Year ₹8535.75 Lacs ), Bhushan Energy Ltd. ₹35149.73 Lacs (Pre. Year ₹62308.32 Lacs ) and Bhushan Aviation Ltd. ₹1512.00 Lacs (Pre. Year ₹1425.85 Lacs ).
- Sale of goods/services to Bhushan Energy Ltd. ₹2650.28 Lacs (Pre. Year ₹9859.45 Lacs ).
- Rent Received is from Bhushan Aviation Ltd. ₹0.70 Lacs (Pre. Year ₹1.20 Lacs ).

**NOTE – 40**

The Company is engaged in the steel business, which in the context of Accounting Standard(AS)-17, is considered the only primary business segment and its subsidiary Bowen Energy PTY Ltd. has acquired Coal & other Metal Mines which are under exploration and are not under operation hence only one primary business segment has been considered.

Gross Revenue excluding export incentives of the Company as per Geographical Segment is as follows:

(₹ in Lacs)

	Current Year	Previous Year
Within India	861992.91	990866.53
Outside India	190095.64	181289.45
<b>Total</b>	<b>1052088.55</b>	<b>1172155.98</b>

Trade Receivables of the company as per Geographical Segment are as follows:

	Current Year	Previous Year
Within India	241800.95	229603.70
Outside India	4643.97	4707.27
<b>Total</b>	<b>246444.92</b>	<b>234310.97</b>

The Company has common fixed assets, other assets and liabilities for producing goods for domestic as well as overseas market.



**NOTE – 41**

Fixed Assets include one cold rolling mill established in 1992 damaged in fire accident in the year 1998-99. The amount received from Insurance Company for reinstatement /repair of the mill is included in other liabilities as the matter is still sub-judice. The amount received shall be adjusted on final disposal of the pending suit.

**NOTE – 42**

**Pre-operative Expenses** (In respect of project to be capitalized):

	(₹ in Lacs)	
	Current Year	Previous Year
Opening Balance	350444.56	232985.87
Add: Pre-operative Expenses		
1. Transferred from Statement of Profit and Loss including Trial Run Loss / (Gain)	56296.59	63606.70
2. Depreciation	1377.05	805.58
3. Finance Costs (During Construction and Trial Run)	174038.14	231711.78
	<b>582156.34</b>	<b>443537.05</b>
Less : Interest earned during construction period	419.69	268.76
Provision Written Back	-	419.69
	<b>581736.65</b>	<b>442899.76</b>
Less: Capitalised		
- Pre-Operative Expenses [Including Trial Run Loss / (Gain)]	138671.62	92188.17
- Depreciation	946.77	139618.39
	<b>442118.26</b>	<b>350444.56</b>
<b>TOTAL</b>	<b>442118.26</b>	<b>350444.56</b>

**NOTE – 43****Earning Per Share**

	Current Year	Previous Year
(i) <b>Weighted Average No. of Equity Shares</b>		
Weighted Average No. of Equity Shares {Including effect of Right issue as required by Accounting Standard (AS)-20}	225251633	215919627
(ii) <b>Equity Shares for Calculating Diluted Earning per Share</b>		
Weighted Average No. of Equity Shares	225251633	215919627
(iii) Profit After Tax including Minority interest and share of Profit of Associates (₹in Lacs)	5914.37	90694.10
Less: -Dividend on preference shares (Including Dividend Tax)	1173.09	1054.17
Profit after Dividend on preference shares	4741.28	89639.93
(iv) <b>Earning Per Share (₹)</b>		
- Basic	2.10	41.52
- Diluted	2.10	41.52

**NOTE – 44**

The Company in respect of Khopoli unit has opted "Deferral Scheme" of sales tax and paid VAT on the basis of Net Present Value (NPV).

Tax difference between the amount payable and amount paid under NPV, amounting to ₹4390.27 Lacs (Previous Year ₹6036.54 Lacs), being capital receipt, has been credited to Capital reserve.

**NOTE – 45****DERIVATIVES**

- I The company has not entered into any derivatives instruments to hedge the foreign currency contracts. There is no derivative contract outstanding as on the date of the Balance Sheet.
- II The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below :-

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
<b>a) Amount receivable in Foreign Currency on Account of</b>				
Sale of Goods	77.27	4643.97	86.69	4707.27
Advance against goods	726.91	43687.40	401.41	21796.77
<b>b) Amount payable in Foreign Currency on Account of</b>				
Acceptances	2624.29	157719.33	3293.52	178838.33
Trade Payable/ Creditors for Capital Goods/ Customers	3152.79	189482.03	1480.36	80383.31
Credit Balances				
Loans /Interest Payable	16465.33	989562.84	17387.36	944133.60
Security Deposit Received from Customers	-	-	200.00	10860.00



**NOTE – 46**

As per Accounting Standard (AS) -15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting Standards are given below:-

**A. Defined Contribution Plans:**

Contribution to defined contribution plan, recognized as expenses / pre-operative expenses is as under:

(₹ in Lacs)

	Current Year	Previous Year
a) Employer contribution to Provident Fund / Other Funds	194.74	192.26
b) Employer contribution to State Plans:		
i) Employee State Insurance	76.76	78.54
ii) Maharashtra Labour Welfare Fund	0.13	0.15

**B. Defined Benefit Plans:**

- a) Leave Encashment/ Compensated Absence.
- b) Contribution to Gratuity Funds - Employee's Gratuity Fund.

In accordance with Accounting Standard (AS)-15 (Revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumptions:

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
<b>i) Actuarial Assumptions</b>				
Discount Rate (per annum)	8.5%	8%	8.5%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	-	-	8%	8%
Expected Average remaining working lives of employees (years)	26	26	26	26
<b>ii) Change in the obligation during the year ended 31st March, 2014</b>				
Present value of obligation as at 31st March, 2013	1311.56	1074.39	2071.67	1650.37
Impact of Transition provision of (AS) -15	-	-	-	-
Interest cost	104.93	85.95	165.73	132.03
Past Service cost	-	-	-	-
Current service cost	312.80	317.31	353.60	327.44
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(201.24)	(83.66)	(76.47)	(48.23)
Actuarial (gain)/ loss on Obligations	(178.55)	(82.43)	(134.49)	10.06
Present value of obligation as at 31st March, 2014	1349.50	1311.56	2380.04	2071.67
<b>iii) Change in fair value of plan Assets</b>				
Fair value of Plan Assets as at 31st March, 2013	-	-	1643.00	1419.28
Expected return on Plan Assets	-	-	131.44	113.54
Contributions	-	-	-	149.98
Benefits Paid	-	-	(76.47)	(48.23)
Actuarial gain/ (loss) on Obligations	-	-	8.22	8.43
Fair value of Plan Assets as at 31st March, 2014	-	-	1706.19	1643.00
<b>iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets</b>				
Present value of obligation as at 31st March, 2014	1349.50	1311.56	2380.04	2071.67
Fair value of Plan Assets as at 31st March, 2014	-	-	1706.19	1643.00
Funded Status	(1349.50)	(1311.56)	(673.85)	(428.67)
Present value of un-funded obligation as at 31st March, 2014	-	-	-	-
Un-funded Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognized in Balance Sheet	(1349.50)	(1311.56)	(673.85)	(428.67)

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
<b>V) Expenses recognized/Pre-Operative Expenses in Statement of Profit and Loss</b>				
Current service cost	312.80	317.31	353.60	327.44
Past Service cost	-	-	-	-
Interest cost	104.93	85.95	165.73	132.03
Expected return on Plan Assets	-	-	(131.44)	(113.54)
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognized during the year	(178.55)	(82.43)	(142.71)	1.63
Total Expense recognized in Statement of Profit and Loss / Pre operative expenses	239.18	320.83	245.18	347.56

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The above details do not include expenditure/payables of joint venture amounting to ₹0.47 Lacs / ₹1.74 Lacs (Previous Year ₹0.58 Lacs / ₹1.63 Lacs) provided on accrual basis.

**NOTE – 47**

Figures pertaining to the subsidiaries and joint venture have been reclassified where necessary to bring them in line with the company's financial statements.

**NOTE – 48**

Previous Year Figures have been rearranged/regrouped wherever considered necessary.

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.: 000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.: 6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 30th May, 2014

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY